

File Trust

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RECORDATION NO. 13526

MAR - 2 1982 12 25 PM

INTERSTATE COMMERCE COMMISSION

2-1611106
MAR - 2 1982

50.00

Washington, D. C.

File Trust

March 1, 1982,

Union Tank Car Company
Equipment Trust Financing Dated as of February 15, 1982
16-1/2% Equipment Trust Certificates
Due March 1, 1997
(Series H-1)

Dear Madam:

Pursuant to 49 U.S.C. § 11303(a), I enclose herewith on behalf of Union Tank Car Company for filing and recordation counterparts of an Equipment Trust Agreement dated as of February 15, 1982, among American National Bank and Trust Company of Chicago, as Trustee, HGA Corporation, as Owner, and HG, Inc., as Guarantor.

The names and addresses of the parties to the aforementioned Agreement are as follows:

(1) Trustee:

American National Bank and Trust Company
of Chicago,
33 North La Salle Street,
Chicago, Illinois 60690.

(2) Lessee:

Union Tank Car Company,
39 South La Salle Street,
Chicago, Illinois 60603.

Countersigned - Wm. H. Swaine

(3) Owner-Guarantor:

HGA Corporation,
C/O Hyatt Corporation,
One Hyatt Center,
Rosemont, Illinois 60018.

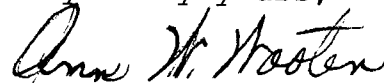
Please file and record the documents referred to in this letter and index them under the names of the Trustee, the Owner-Guarantor and the Lessee.

The equipment covered by the aforementioned Agreement appears in Exhibit A attached hereto and also bearing the legend "Ownership Subject to a Security Agreement Filed With The Interstate Commerce Commission".

There is also enclosed a check for \$50 payable to the Interstate Commerce Commission representing the fee for recording the Equipment Trust Agreement.

Please stamp all counterparts of the enclosed Agreement with your official recording stamp. You will wish to retain one copy of the instrument for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Ann W. Wooten
As Agent for Union
Tank Car Company

Agatha L. Mergenovich,
Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423.

Encls.

EXHIBIT A

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|----------------------------------|
| 17 | TA | 14,000 | UTLX 11296-11299, 11301-11313 |
| 3 | TM | 23,500 | UTLX 67682, 67684, 67685 |

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons or Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|---|--|
| 10 | LO | 5,820 cu. ft. | UTCX 43290-43299 |
| 12 | TM | 26,000 gallons | UTLX 2600-2609, 2611, 2613 |
| 6 | TA | 14,000 gallons | UTLX 11300, 13833- 13837 |
| 19 | TM | 11,000 gallons | UTLX 24720-24738 |
| 25 | TM | 14,000 gallons | UTLX 24739-24763 |
| 45 | TM | 30,000 gallons | UTLX 48145, 48147, 48149-48151, 48154-48156, 48158, 48159, 48161, 48163- 48165, 48167, 48168, 48175, 48177-48182, 48186, 48187, 48190, 48195, 48197, 48198, 48200-48202, 48209, 48211, 48213, 48308, 48311-48314, 48317, 48320, 48321, 48325, 48338 |
| 1 | TM | 16,000 gallons | UTLX 66410 |
| 9 | TM | 18,000 gallons | UTLX 66544, 66547, 66548, 66550- 66555 |
| 13 | TM | 23,500 gallons | UTLX 67742-67751, 67756, 67757, 67578 |
| 16 | LO | 5,820 cu. ft. | UTLX 220102-220107, 220160, 220161, 220163, 220164, 220168-220173 |

156 Total

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 5 | TM | 30,000 | UTLX 48203, 48204, 48206, 48207, 48210 |
| 5 | TM | 20,000 | UTLX 48236-48238, 48240, 48243 |
| 10 | TM | 30,000 | UTLX 48310, 48326- 48331, 48337, 48339, 48340 |
| 11 | TM | 16,000 | UTLX 65929-65939 |
| <u>5</u> | TM | 23,500 | UTLX 67573-67577 |
| 36 Total | | | |

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 31 | TM | 23,500 | UTLX 67712-67730, 67752-67755, 67758-67765 |
| 63 | TM | 16,000 | UTLX 66409, 66411, 66412, 66414- 66473 |
| 7 | TM | 26,000 | UTLX 2610, 2612, 2614, 2615, 2617-2619 |
| 8 | TP | 20,000 | UTLX 27611-27618 |
| 8 | TM | 14,000 | UTLX 24695-24702 |
| 18 | TM | 20,000 | UTLX 67337-67339, 67555-67559, 68006-68007, 68010-68011, 68014, 68053, 68055, 68057- 68059 |
| 40 | TM | 21,000 | UTLX 48002-48010, 48012-48013, 48015, 48017- 48018, 48020- 48023, 48026- 48033, 48037, 48040-48041, 48043-48046, 48048-48050, 48052-48053, 48056, 48061 |
| 29 | TM | 18,000 | UTLX 66542-66543, 66545-66546, 66549, 66556- 66579 |
| 32 | TM | 13,000 | UTLX 60671-60693, 60697, 60699- 60705, 60708 |

236 Total

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|--|
| 42 | LO | 5,820 | UTLX 220108, 220111, 220113-220123, 220125-220135, 220137, 220139, 220140, 220142- 220149, 220152, 220153, 220155- 220159 |

42 Total

490 Grand Total

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

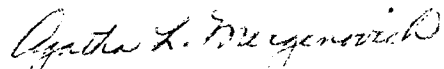
March 2, 1982

Ann W. Wooten
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N. Y. 10005

Dear **Madam:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/2/82** at **12:25PM**, and assigned re-recording number(s). **13576**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 13526 116-0125

MAR - 2 1982 12 25 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 2044-226]

EQUIPMENT TRUST

(Series H-1)

EQUIPMENT TRUST AGREEMENT

among

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
Trustee,

HGA CORPORATION,
Owner,

and

HG, INC.,
Guarantor.

Dated as of February 15, 1982

16-1/2% Equipment Trust Certificates,
Due March 1, 1997
(Series H-1)
Secured by Union Tank Car Company Lease

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EQUIPMENT TRUST AGREEMENT dated as of February 15, 1982, among AMERICAN NATIONAL BANK AND TRUST COMPANY, a national banking association, as trustee (the "Trustee"), HGA CORPORATION, a Delaware corporation (the "Owner"), and HG, INC., a Delaware Corporation (the "Guarantor").

16-1/2% Equipment Trust Certificates, Due March 1, 1997, Series H-1, secured by Union Tank Car Company Lease, are to be issued and sold in an aggregate principal amount not exceeding \$15,773,012. The proceeds of such sale are to be deposited in trust with the Trustee and are to constitute a fund to be known as "Equipment Trust (Series H-1)", to be applied by the Trustee as partial reimbursement to the Owner for the cost of the Trust Equipment (as hereinafter defined).

A security interest in the Trust Equipment is to be vested in and is to be retained by the Trustee as security for the obligations of the Owner hereunder until such obligations are performed.

The Owner has entered into a lease agreement dated November 13, 1981, with the Lessee pursuant to which the Owner has leased the Equipment to the Lessee. Such lease agreement is being amended and restated substantially in the form attached hereto as Annex I (as the same may be amended or supplemented as contemplated hereby or thereby) and as so amended and restated is herein called the "Lease".

The Lease is being assigned by the Owner to the Trustee as security for the obligations of the Owner hereunder pursuant to a Lease Assignment (as hereinafter defined).

The text of the Trust Certificates is to be substantially in the form annexed hereto as Schedule B.

It is desired to secure to the holders of the Trust Certificates the payment of the principal thereof with interest thereon, as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto hereby agree as follows:

ARTICLE ONE

Definitions

SECTION 1.01. Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified.

Affiliate of any corporation shall mean any corporation which, directly or indirectly, controls or is controlled by, or is under common control with, such corporation. For the purposes of this definition, control (including controlled by and under common control with), as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

Applicable Laws shall have the meaning ascribed to it in the Lease.

Business Day shall mean any calendar day, excluding Saturday, Sunday and legal holidays or days on which banking institutions are authorized by law to be closed in Chicago, Illinois, or New York City, New York.

Closing Date shall mean March 1, 1982, or such later date, not later than April 1, 1982, as to which the Owner shall have notified the Trustee as provided in Section 2.01 hereof.

Consent shall mean the Consent and Agreement dated as of the date hereof, executed by the Lessee, substantially in the form attached to the Lease Assignment.

Corporate Trust Office shall mean the principal office of the Trustee in the State of Illinois, city of Chicago, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at 33 North La Salle Street, Chicago, Illinois 60690, Attention of Corporate Trust Division.

Cost shall mean, when used with respect to Equipment not built by the Lessee or any Affiliate of the Lessee, the actual cost thereof, and, with respect to Equipment built by the Lessee or any such Affiliate, shall mean so-called "car builder's cost" including direct cost of labor and material and overhead, but excluding any manufacturing profit.

Deposited Cash shall mean the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01.

Engineer's Certificate shall mean a certificate signed by a person appointed by the Owner who shall be an engineer, appraiser or other expert, as the case may require. Such person may be an officer or employee of the Lessee except where this Agreement specifically requires the signature of an independent engineer, appraiser or other expert.

Equipment shall mean the railroad rolling stock described in Schedule A hereto and any accession thereto title to which is in the Owner pursuant to Section 5.1 of the Lease.

Event of Default shall mean any event specified in Section 5.01 to be an Event of Default.

Event of Loss shall have the meaning ascribed to it in the Lease.

Guarantor shall mean HG, Inc., a Delaware corporation, and any successor or successors.

The word holder or holders, when used with respect to Trust Certificates, shall include the plural as well as the singular number and shall mean the person in whose name such Trust Certificate is registered.

Impositions shall have the meaning ascribed to it in the Lease.

Indemnified Matters shall have the meaning ascribed to it in the Lease.

Independent Engineer shall mean an engineer, appraiser or other expert appointed by the Owner and approved by the Trustee in the exercise of reasonable care, who (a) is in fact independent, (b) does not have any substantial

interest, direct or indirect, in the Owner, the Lessee or in any other obligor on the Trust Certificates or in any Affiliate of the Owner or the Lessee or any such other obligor and (c) is not connected with the Owner, the Lessee or any other obligor on the Trust Certificates or any Affiliate of the Owner or any such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Investment Securities shall mean (a) bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States is pledged to provide for the payment of the interest and principal and which mature within three years of the date of purchase, (b) open market commercial paper of any company incorporated and doing business under the laws of the United States of America or one of the States thereof given a rating of "A-1" or "A-2" by Standard & Poor's Corporation or P-1 or P-2 by Moody's Investors Service, Inc., or an equivalent rating by a successor thereto or a similar rating service substituted therefor, (c) certificates of deposit of or time deposits in banks or trust companies, including the Trustee, incorporated and doing business under the laws of the United States of America or one of the States thereof having a capital and surplus aggregating at least \$50,000,000 and (d) repurchase agreements with respect to investment securities of the type referred to in (a) and (b) above, including repurchase agreements of the Trustee.

Lease shall have the meaning ascribed to it in the recitals hereto.

Lease Assignment shall mean the Assignment of Lease and Agreement dated as of the date hereof, between the Owner and the Trustee, substantially in the form of Annex II hereto.

Lessee shall mean Union Tank Car Company, a Delaware corporation.

Officer's Certificate shall mean a certificate signed by the President, a Vice President or an authorized officer of the Lessee, the Owner or the Guarantor, as the case may be.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel reasonably satisfactory to the Trustee in the case of counsel for the Lessee, the Owner or the Guarantor and to the Purchasers in the case of counsel for the Trustee. The acceptance by the Trustee of, together with its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Owner shall mean HGA Corporation and any successor or successors.

Participation Agreement shall mean the Participation Agreement dated as of the date hereof, among the Lessee, the Owner, the Guarantor and the Purchasers.

Purchasers shall mean the parties named in Appendix I to the Participation Agreement.

Request shall mean a written request for the action therein specified, delivered to the Trustee, dated not more than 10 days prior to the date of delivery thereof to the Trustee and signed on behalf of the Lessee, the Owner or the Guarantor by the President, a Vice President or an authorized officer thereof.

Trust Certificates shall include the singular as well as the plural number and shall mean 16-1/2% Equipment Trust Certificates, Due March 1, 1997, Series H-1, issued hereunder.

Trust Equipment shall mean all Equipment subject to the terms of this Agreement.

Trustee shall mean American National Bank and Trust Company of Chicago, and, subject to the provisions of Article Eight, any successor as trustee hereunder.

The words herein, hereof, hereby, hereto, hereunder and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof; and all references to numbered Articles, Sections, paragraphs and subdivisions, unless the context otherwise requires or unless the references thereto specify another agreement, refer to such Articles, Sections, paragraphs and subdivisions of this Agreement. Unless otherwise specifically stated, all amounts expressed in dollars shall mean United States of America dollars.

ARTICLE TWO

Trust Certificates and Issuance Thereof

SECTION 2.01. Issuance of Trust Certificates. On the Closing Date the Trustee shall issue and deliver Trust Certificates in such aggregate principal amounts as the Owner shall direct by Request, upon the deposit with the Trustee of an amount in cash equal to such aggregate principal amount of Trust Certificates to be issued and delivered. The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee under this Section shall not exceed the sum of \$15,773,012, and the aggregate principal amount represented by all the Trust Certificates shall be payable as hereinafter set forth. The Owner shall provide the Purchasers and the Trustee with three Business Days' advance notice of the Closing Date and, if the Closing Date shall be other than March 1, 1982, the Owner shall so advise the Trustee not later than February 24, 1982, and upon receipt of any such notice, the Trustee shall promptly give notice of the Closing Date to the Purchasers.

SECTION 2.02. Interests Represented by Trust Certificates; Interest; Maturity. Each of the Trust Certificates shall represent an interest in the amount therein specified in the Trust created hereunder.

Subject to the provisions of Section 4.08 providing for the reduction of installments of principal due after prepayments, the Trust Certificates shall be payable as follows: principal and interest payments shall be paid in 30 consecutive semiannual installments on March 1 and September 1 in each year commencing September 1, 1982, calculated so that the amount of principal and interest payable on each such date shall be substantially in proportion to the amount of principal and interest set forth in respect of such date in Schedule C hereto and such installments of the principal shall completely amortize the principal amount of the Trust Certificates. The Trustee shall furnish to each holder of Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Interest on the Trust Certificates shall accrue from the date of original issue and shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on September 1, 1982, shall be computed on an actual elapsed day, 365-day year basis.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office in such

coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal (including amounts of principal to be prepaid pursuant to Section 4.08 hereof) and interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Owner) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the installments of principal amount represented thereby theretofore paid in whole or in part, the Trustee will mail its check on the date each such payment is due to such registered holder at his address shown on the registry books maintained by the Trustee; provided, however, that, in the case of each Purchaser, its undertaking contained in Paragraph 8 of the Participation Agreement shall constitute the agreement referred to above and the Trustee shall make payments of principal (including amounts of principal to be prepaid pursuant to Section 4.08 hereof) and interest to such Purchaser, and to any other purchaser approved by the Owner, by wire transfer of immediately available funds (to the extent such funds are available to the Trustee under the Lease or otherwise) at a "home office" address, which address in the case of such Purchaser shall be the address set forth in Appendix I to the Participation Agreement and, in the case of a subsequent address of such Purchaser or any address of another holder of Trust Certificates, to such address as may be furnished to the Trustee in writing by such Purchaser or such other holder or by any other method a Purchaser may reasonably request. Each payment of principal and interest made by check or wire transfer at the "home office" address of a holder of Trust Certificates shall be identified as: "Payment of principal of [and/or interest on] 16-1/2% Equipment Trust Certificates, Due March 1, 1997, Series H-1, Secured by Union Tank Car Company, Lease."

The Trustee acknowledges that the receipt by it of a credit advice via the wire transfer system of the Federal Reserve System is sufficient to render funds covered by such credit advice available to the Trustee for purposes of this Section.

SECTION 2.03. Forms of Trust Certificates. The Trust Certificates shall be in substantially the form annexed hereto as Schedule B.

SECTION 2.04. Execution by Trustee. The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of an authorized officer of the Trustee and its seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of one of its authorized officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before the Trust Certificates shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

SECTION 2.05. Characteristics of Trust Certificates.
(a) The Trust Certificates shall be registered, as to both principal and interest, in the name of the holders; shall be transferable in whole or in part and exchangeable for Trust Certificates of other denominations of equal aggregate outstanding principal amount upon presentation and surrender thereof for registration of transfer or exchange at the Corporate Trust Office, accompanied, in the case of transfer, by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by its duly authorized attorney in fact, in form satisfactory to the Trustee; shall, in connection with the initial issuance of Trust Certificates, be dated as of the date of issue and shall, in connection with Trust Certificates issued in exchange for or upon registration of transfer of another Trust Certificate or Certificates, be dated as of the date which interest has been paid or shall, if no interest has been paid thereon, be dated as of the date of initial issuance; and shall entitle the registered holder to interest from the date thereof.

(b) Anything contained herein to the contrary notwithstanding, prior to due presentment for registration of transfer the parties hereto may deem and treat the registered holder of any Trust Certificate as the absolute owner of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

(c) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and registration of transfer of the Trust Certificates and, upon presentation of the Trust Certificates for such purposes, the Trustee shall register any transfer as hereinabove provided, and under such reasonable regulations as it may prescribe (but without cost to the person requesting any such registration other than as provided in paragraph (d) of this Section 2.05).

(d) For any registration, registration of transfer or exchange, the Trustee shall require payment by the person requesting same of a sum sufficient to reimburse it only for any governmental charge connected therewith.

(e) Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange for, or upon the registration of transfer of the whole or any part, as the case may be, of one or more other Trust Certificates shall carry all the rights to principal and to interest accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement, such Trust Certificate shall be so dated that neither gain nor loss in interest or principal shall result from such exchange, substitution or registration of transfer.

(f) The Trustee shall not be required to issue, transfer or exchange Trust Certificates for a period of 10 days next preceding any interest payment date.

(g) The Trustee shall not transfer or exchange Trust Certificates if such transfer or exchange would be in violation of the Securities Act of 1933, as amended.

SECTION 2.06. Replacement of Lost Trust Certificates. In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date, and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The applicant for a new Trust Certificate pursuant to this Section shall furnish to the Trustee evidence to its satisfaction of the loss, destruction or theft

of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate, and also shall furnish such security or indemnity as may be required by the Trustee in its discretion (it being understood that a letter of indemnity from a Purchaser shall be deemed acceptable by the Trustee). Except as provided herein, and except for the payment of any governmental charges in connection therewith, the issuance of new Trust Certificates pursuant to this Section shall be without cost to the holder or applicant. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE THREE

Acquisition of Trust Equipment by Trustee; Deposited Cash

SECTION 3.01. Acquisition of Equipment by Trustee. The Owner shall cause to be transferred to the Trustee, as trustee for the holders of the Trust Certificates, the Trust Equipment described in Schedule A hereto, all of which shall have been first put into service not earlier than January 1, 1981. The Trustee hereby designates the Lessee to accept such Equipment on behalf of the Trustee.

SECTION 3.02. Payment of Deposited Cash. From time to time, when and as any of the Trust Equipment shall have been delivered to the Trustee or its agent or agents pursuant to Section 3.01, the Trustee shall (subject to the provisions of Section 3.03) pay, upon Request, to the Owner out of Deposited Cash an aggregate amount which will not exceed 75% of the lesser of the aggregate Cost of such Trust Equipment, or its fair value as specified in the Officers' Certificate and Engineer's Certificate furnished to the Trustee pursuant to Sections 3.03(b) and 3.03(c), respectively.

SECTION 3.03. Supporting Papers. The Trustee shall not pay out any Deposited Cash against the delivery of any of the Trust Equipment unless and until it shall have received:

(a) a certificate of the Lessee as agent for the Trustee, stating that the Trust Equipment described and specified therein by number or numbers has been delivered to and unconditionally accepted by the Lessee as such agent;

(b) Officers' Certificates of the Lessee and the Owner which shall state (i) that such Trust Equipment is Equipment as herein defined, (ii) that the Cost of such Trust Equipment is an amount therein specified or is not less than an amount therein specified, (iii) the date each unit of such Trust Equipment was first put into use or that such unit was first put into use not earlier than a specified date, (iv) whether such Trust Equipment has been used or operated, by a person or persons other than the Lessee or a wholly owned Affiliate of the Lessee, in a business similar to that in which it has been or is to be used or operated by the Lessee, (v) that no Event of Default has occurred and is continuing and (vi) that, in the opinion of the signers, all conditions precedent provided for in this Agreement, relating to the payment in question, have been complied with;

(c) an Engineer's Certificate which shall state the fair value to the Owner, in the opinion of the signer, of such Trust Equipment as of the date of the above-mentioned Request;

(d) a bill or bills of sale of such Trust Equipment from the Owner to the Trustee, together with certified copies of bills of sale from the builders thereof transferring ownership to the Owner; and

(e) an Opinion of Counsel of the Owner to the effect (i) that such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in and accompanying such opinion, to vest in the Trustee title to such Trust Equipment free from all liens and encumbrances (including any leasehold interest therein) other than the rights of the Owner hereunder and the Lessee under the Lease and the rights of any sublessees under subleases permitted hereunder and under the Lease, (ii) that in case of any Trust Equipment not specifically described herein, a proper supplement hereto in respect of such Trust Equipment has been duly executed by the Trustee,

the Owner and the Guarantor and filed and recorded as required by Section 6.02, and (iii) that, in the opinion of such counsel, all conditions precedent provided for in this Agreement, relating to the payment in question, have been complied with; and

(f) an Opinion of Counsel of the builders of the Trust Equipment to the effect that the bill or bills of sale by which the Trust Equipment was transferred from the builders thereof to the Owner are valid and effective, either alone or in connection with any other instrument referred to in and accompanying such opinion, to vest in the Owner title to such Trust Equipment free from all liens and encumbrances (including any leasehold interest therein) other than the rights of the Lessee under the Lease.

If the aggregate final Cost or fair value, whichever is less, as specified in the certificates theretofore delivered to the Trustee pursuant to this Section 3.03, of the Trust Equipment delivered to the Trustee or its agent or agents pursuant to this Article Three shall be less than $133\frac{1}{3}\%$ of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.01, the Owner will cause to be sold, assigned and transferred to the Trustee additional Equipment in such amount and of such Cost that the aggregate final Cost or fair value, whichever is less, of the Trust Equipment will be at least $133\frac{1}{3}\%$ of the aggregate principal amount of said Trust Certificates, and shall deliver to the Trustee the documents set forth in the first paragraph of this Section 3.03, whether or not Deposited Cash is to be paid out in respect of such additional Trust Equipment.

If the aggregate final Cost or fair value, whichever is less, as specified in a final Officers' Certificate delivered to the Trustee pursuant to the second paragraph of this Section 3.03, of the Trust Equipment delivered to the Trustee or its agents pursuant to this Article Three shall be more than $133\frac{1}{3}\%$ of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.01, then the Trustee and the Owner may by supplement delete from Schedule A hereto Equipment designated in a Request received by the Trustee not more than 60 days after receipt of such final Officers' Certificate and having an aggregate Cost or fair value, whichever is less, of not more than the amount of such excess; and thereupon such deleted Equipment shall not be subject to the terms of this Agreement. The Trustee shall execute and deliver a bill of sale assigning and transferring to the transferee named by the Owner in such Request all the right, title and interest of the Trustee in and to the Equipment designated in

such Request. At the time of delivery of such Request, the Owner shall also deliver to the Trustee an Engineer's Certificate stating (i) the fair value, in the opinion of the signer, as of the date of the original Officers' Certificate delivered to the Trustee pursuant to subparagraph (b) of the first paragraph of Section 3.03, of the Trust Equipment to be assigned or transferred by the Trustee, and (ii) that such assignment or transfer will not impair the security under this Agreement in contravention of the provisions hereof. If the fair value of the Trust Equipment to be assigned or transferred by the Trustee, together with all other property so assigned or transferred pursuant to this paragraph, as set forth in such Engineer's Certificate, is more than 5% of the aggregate principal amount in Trust Certificates at the time outstanding such Engineer's Certificate shall be signed by an Independent Engineer unless the fair value of the Trust Equipment to be assigned or transferred is less than \$25,000 or 1% of the aggregate principal amount of Trust Certificates at the time outstanding.

If additional Equipment shall be sold, assigned and transferred to the Trustee pursuant to the second preceeding paragraph, any lease or assignment entered into with respect to such equipment shall be expressly subject to the interests of the Trustee hereunder and shall be assigned for security purposes to the Trustee.

SECTION 3.04. Absence of Title Encumbrances. The Owner hereby represents and warrants to the Trustee that upon delivery of each unit of Equipment and payment therefor as provided in this Article Three such unit of Equipment shall then be free from all liens and encumbrances (including any leasehold interest therein) other than the rights of the Owner hereunder, of the Lessee under the Lease and of any subleases under subleases permitted hereunder and under the terms of the Lease.

ARTICLE FOUR

Lease of Trust Equipment to the Owner

SECTION 4.01. Lease of Trust Equipment. The Trustee does hereby let and lease all the Trust Equipment to the Owner, for a period ending March 1, 1997.

SECTION 4.02. Equipment Automatically Subjected.

As and when any Equipment shall from time to time be accepted hereunder by the Trustee or its agent or agents, the same shall, ipso facto and without further instrument of lease or transfer, become subject to all the terms and provisions hereof.

SECTION 4.03. Rental Payments. The Owner hereby accepts the lease of all the Trust Equipment; and the Owner hereby covenants and agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rental hereunder which shall be sufficient to pay and discharge the following items when and as the same shall become due and payable (whether or not any of such items shall become due and payable prior to the acceptance of and lease to the Owner of any unit of the Trust Equipment):

(A) from time to time upon demand of the Trustee (1) the expenses of the trust hereby created including but not limited to reasonable compensation for all services rendered by the Trustee, and all disbursements and expenses of the Trustee including reasonable counsel fees and expenses, and (2) an amount equal to any expenses incurred or loss of principal (including interest accrued thereupon at time of purchase) in connection with any purchase, sale or redemption by the Trustee of Investment Securities;

(B) the amounts of the interest payable on the Trust Certificates, when and as the same shall become payable, and interest at the rate of 17-1/2% per annum from the due date upon the amount of any installments of rental payable under this and the following subparagraph which shall not be paid when due, to the extent legally enforceable; and

(C) the installments of principal of all the Trust Certificates (except as such sum may be reduced due to prepayments made pursuant to the terms hereof), when and as the same shall become payable, whether upon the date of maturity thereof or by declaration or otherwise;

it being understood that all payments of the amounts referred to in clauses (B) and (C) above shall be made in immediately available funds not later than 12:00 p.m., Chicago time, on the date such amounts shall be due and payable.

Notwithstanding any other provisions of this Agreement, including, without limitation, Articles Five and Six hereof, it is understood and agreed by the Trustee on behalf of itself and the holders of the Trust Certificates that the liability of the Owner for all payments to be made by it under and pursuant to this Agreement and for all performance obligations (other than as provided in the proviso to the last paragraph of Section 6.01), shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Trust Equipment, until the Trustee shall have exhausted its remedies against the Trust Equipment and all other persons in which event the liability of the Owner shall be unconditional, as provided in Section 4.04. As used herein the term "income and proceeds from the Trust Equipment" shall mean (i) if an Event of Default shall have occurred and while it shall be continuing so much of the following amounts as are indefeasibly received by the Owner or any assignee of the Owner at any time after such Event of Default and during the continuance thereof: (a) all amounts of rental and amounts in respect of Events of Loss paid for or with respect to such Trust Equipment pursuant to the Lease and (b) any and all other payments or proceeds received pursuant to the Lease (except sums which by the express terms of the Lease are payable directly to the Owner pursuant to Sections 12.1 [with respect to public liability insurance], 11.2 and 19.4 of the Lease) or for or with respect to such Trust Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Owner pursuant to the Lease as are indefeasibly received by the Owner and as shall equal the rental payments specified in the first paragraph of this Section 4.03 due and payable by the Owner on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments (including payments in respect of Events of Loss) then due and payable under this Agreement; it being understood that "income and proceeds from the Trust Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner or any assignee of the Owner prior to the existence of such an Event of Default which exceeded the amounts required to make the rental payments specified in the first paragraph of this Section 4.03 due and payable by the Owner on the date on which amounts with respect thereto received by the Owner or any assignee of the Owner were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability

of the Owner shall derogate from the right of the Trustee to proceed against the Trust Equipment or to enforce any security interest it may have in any payments made to the Owner by the Lessee, as provided for herein or in the Lease, the Lease Assignment or the Consent.

SECTION 4.04. Recourse Obligations of the Owner.

The Owner hereby agrees to pay to the Trustee amounts sufficient, together with other moneys received by the Trustee for that purpose, to enable the Trustee to make payments of principal and interest to the holders on the basis hereinafter provided, notwithstanding anything to the contrary contained elsewhere in this Agreement. As a condition precedent to the obligation set forth in the preceding sentence, the Trustee shall first have exhausted its remedies against the Equipment and all other persons against whom it may have rights (other than the Guarantor) with respect to the obligations of the Owner under this Agreement

SECTION 4.05. Guarantee of the Guarantor.

Subject to the condition stated in the last sentence of Section 4.04 hereof (i) the Guarantor hereby guarantees to the Trustee the obligations of the Owner contained in Section 4.04 hereof, and (ii) the Guarantor hereby expressly waives any requirement as to diligence, presentment, notice or other like formalities or the enforcement, assertion, or exercise of any right or privilege against the Owner. Notwithstanding the foregoing, this guarantee shall remain in full force and effect only so long as provisions of the Internal Revenue Code, the regulations promulgated thereunder or any other law, rule or regulation exists so as to require persons such as the Guarantor to be "at risk" for Federal income tax purposes.

SECTION 4.06. Termination of Trust and Lease.

The transfer of the Trust Equipment to the Trustee by the Owner and the lease of such units to the Owner by the Trustee pursuant to this Agreement are intended solely to create a security interest in such units in order to secure the performance by the Owner of its obligations under this Agreement and the payment of all sums payable pursuant to this Agreement (without regard to the provisions of the last paragraph of Section 4.03 or Section 9.05) and, subject thereto, beneficial ownership of such units of Trust Equipment shall be and remain in the Owner. The Trustee agrees that it has no right to claim, nor will it file any tax return claiming, the investment credit or any other income tax benefits associated with the benefi-

cial ownership of the Equipment. After all payments due or to become due from the Owner hereunder shall have been completed and fully made to the Trustee (1) such payments shall be deemed to represent the discharge in full of the Trustee's security interest in the Trust Equipment, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee (to the extent not theretofore paid by the Lessee pursuant to Paragraph 9 of the Participation Agreement), including its reasonable compensation, shall be paid to the Owner, and (3) the Trustee shall execute for recording in public offices, at the expense of the Owner, such instrument or instruments in writing as reasonably shall be requested by the Owner in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner's full title to, all the Trust Equipment under the laws of any jurisdiction; provided, however, that until that time a security interest in the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Lessee pursuant to the terms of this Agreement.

In addition, the Trustee's security interest in any unit of Trust Equipment which shall have suffered an Event of Loss shall be deemed to be discharged in full upon the payment by the Owner to the Trustee of the amount required to be paid with respect to such unit pursuant to Section 4.08 hereof, and the Trustee shall execute for recording in public offices, at the expense of the Owner, such instrument or instruments in writing as reasonably shall be requested by the Owner in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner's full title to, such unit under the laws of any jurisdiction.

SECTION 4.07. Marking of Trust Equipment. The Owner will cause each unit of the Equipment to be kept numbered and marked as provided in Section 5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Trustee and filed, recorded and deposited by or on behalf of the Trustee and filed, recorded and deposited by or on behalf of the Owner in all public offices where this Agreement shall have been filed, recorded and deposited. The Owner will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided,

however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, and may also be lettered, in case of a sublease of any equipment made pursuant to Section 4.09 hereof, in such manner as may be appropriate for convenience of identification of the subleasehold interest therein.

SECTION 4.08. Maintenance of Trust Equipment; Events of Loss. The Owner will maintain or cause to be maintained and keep all the Trust Equipment in as good condition as when delivered to the Owner hereunder, ordinary wear and tear excepted, at no cost or expense to the Trustee.

Whenever any unit of the Trust Equipment shall suffer an Event of Loss, the Owner shall, promptly after it shall have been informed of such Event of Loss, deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the value thereof. On the March 1 or September 1 next succeeding the delivery of such Officer's Certificate, the Owner shall pay to the Trustee an amount equal to the value of such unit as of the date of such payment. The rights and remedies of the Trustee to enforce or to recover any of the rental payments to which the Trustee is otherwise entitled hereunder shall not be affected by reason of such Event of Loss. For all purposes of this paragraph, the value of any unit of Trust Equipment shall be deemed to be that amount which bears the same ratio to 75% of the original Cost thereof which the aggregate unpaid principal amount of the Trust Certificates (without giving effect to any prepayments then or theretofore made pursuant to this Section), as of the date payment is made with respect to such Event of Loss, bears to the aggregate principal amount of the Trust Certificates issued pursuant to Section 2.01.

Cash deposited with the Trustee pursuant to this Section shall be applied (after the payment of the interest and principal due on such date) to prepay without premium the principal of the Trust Certificates as follows: such prepayment shall be made on the date on which such deposit was made and shall be allocated by the Trustee to each outstanding Trust Certificate, as near as may be, in the same proportion as the unpaid principal amount thereof bears to the aggregate unpaid principal amount of all the Trust Certificates and shall be credited pro rata against each installment of principal thereafter due thereon in proportion to the principal amount represented by each such installment. Prepayment of principal pursuant to this Section 4.08 shall be made in the

manner set forth in Section 2.02 hereof (including, in certain cases, by wire transfer of immediately available funds). Upon any such prepayment, the Trustee shall deliver to the holder of Trust Certificates a schedule showing the revised principal and interest payments to be made thereon.

The Owner agrees to furnish or cause to be furnished to the Trustee, on or before April 1 in each year commencing with 1983, an Officer's Certificate of the Lessee (1) setting forth as at the preceding December 31 (or as of the date of this Agreement in the case of the first such Officer's Certificate) the amount, description and numbers of all Trust Equipment then covered by this Agreement, the amount, description and numbers of all Trust Equipment that has suffered an Event of Loss during the preceding calendar year (or since the date of this Agreement in the case of the first such Officer's Certificate) (specifying the dates of such Events of Loss) or, to the knowledge of the Owner, are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Trust Equipment as the Trustee may reasonably request and (2) stating that, in the case of all Trust Equipment repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 4.07 hereof have been preserved or replaced. The Trustee, by its agents, shall have the right to inspect, at the expense of the Owner, the Trust Equipment and the Owner's records with respect thereto at such reasonable times as the Trustee may request during the continuance of this Agreement.

The obligations of the Owner under this Section are subject to the limitations set out in the last paragraph of Section 4.03 hereof.

SECTION 4.09. Possession of Trust Equipment. Except as provided in this Section, the Owner will not assign or transfer its rights hereunder, or transfer or lease the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Owner shall not, without such written consent, except as herein permitted, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment.

So long as the Owner shall not be in default under this Agreement, the Owner shall be entitled to the possession and use of the Trust Equipment, and shall be entitled to permit the use of the Trust Equipment as provided in the Lease.

SECTION 4.10. Indemnity. The Owner covenants and agrees to indemnify, protect, save and keep harmless the Trustee and its respective successors, assigns, legal representatives, agents and servants, and the holders of the Trust Certificates (the "Indemnified Persons") from and against any and all Indemnified Matters. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Owner may and, upon such Indemnified Person's request, will at the Owner's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Owner and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Owner to do so, the Owner shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Owner is required to make any payment under this Section, the Owner shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. Upon the payment in full of any indemnities as contained in this Section by the Owner, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Owner shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Owner) as a result of any Indemnified Matter shall be paid over to the Owner to the extent necessary to reimburse the Owner for indemnification payments previously made in respect of such Indemnified Matter.

The indemnities contained in this Section shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this Section shall be deemed to create any rights of subrogation in any insurer or third party against the Owner therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Owner will bear the responsibility for, and risk of, and shall not be released from its obligations hereunder in the event of any damage to or the loss or destruction of any unit of or all the Trust Equipment.

The obligations of the Owner under this Section are subject to the limitations contained in the last paragraph of Section 4.03 hereof.

SECTION 4.11. Compliance with Laws and Rules.

During the term of this Agreement, the Owner will comply, and will cause every lessee or user of the Trust Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Trust Equipment) with all Applicable Laws, and in the event that the Applicable Laws require any alteration, replacement or addition of or to any part on any unit of the Trust Equipment, the Owner will, or will cause the Lessee to, conform therewith at no expense to the Trustee; provided, however, that the Owner or the Lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Trustee, adversely affect the property or rights of the Trustee under this Agreement.

SECTION 4.12. Impositions. Whether or not any of the transactions contemplated hereby is consummated, the Owner agrees to pay, and to indemnify and hold the Trustee and the holders of the Trust Certificates harmless from, all Impositions; excluding, however, (i) Impositions of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the holders of Trust Certificates or the Trustee, other than Impositions arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement; (ii) any Impositions imposed on or measured by any fees or compensation received by the Trustee; (iii) any Impositions imposed as a direct result of a voluntary transfer or other voluntary disposition, or any transfer or disposition resulting from bankruptcy or other proceedings for the relief of creditors whether voluntary or involuntary of any Trust Certificate; and (iv) Impositions which are imposed on or measured solely by the net income of the Trustee or the holders of the Trust Certificates if and to the extent that such Impositions are in substitution for or reduce the Impositions

payable by any other person which the Owner has not agreed to pay or indemnify against pursuant to this Section; provided, however, that the Owner shall not be required to pay any Impositions during the period it or the Lessee may be contesting the same in the manner provided in the next succeeding paragraph or the Lease, as the case may be.

If claim is made against the Trustee or any holder of the Trust Certificates, for any Impositions indemnified against under this Section, the Trustee or the holders of the Trust Certificates shall promptly notify the Owner. If reasonably requested by the Owner in writing, the Trustee or the holders of the Trust Certificates, as the case may be, shall, upon receipt of any indemnity satisfactory to it or them, as the case may be, for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Owner, contest in good faith the validity, applicability or amount of such Impositions by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Owner may also contest, at its own expense, the validity, applicability or amount of such Impositions in the name of the Trustee or the holders of the Trust Certificates as the case may be; provided, however, that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Trustee or the holders of the Trust Certificates, as the case may be, in any such proceeding or action) without the prior written consent of the Trustee. If the Trustee or the holders of the Trust Certificates, as the case may be, shall obtain a refund of all or any part of such Impositions previously reimbursed by the Owner in connection with any such contest or an amount representing interest thereon, the Trustee or the holders of the Trust Certificates, as the case may be, shall pay the Owner the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Owner under this Section or arising out of this Section, the Owner shall either make such report or return in such manner as will show the interest of the Trustee in the Trust Equipment or shall promptly notify

the Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Trustee. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Owner.

All of the obligations of the Owner under this Section shall survive and continue, notwithstanding payment in full of all amounts due under this Agreement, but only with respect to periods included in the term of this Agreement.

The obligations of the Owner under this Section are subject to the limitations contained in the last paragraph of Section 4.03 hereof.

ARTICLE FIVE

Events of Default and Remedies

SECTION 5.01. Events of Default. The Owner covenants and agrees that, without regard to any limitation of liability contained in Section 4.03 or Section 9.05, in case:

(a) the Owner shall fail to pay or cause to be paid in full any sum payable pursuant to Section 4.03 or Section 4.06 by the Owner when payment thereof shall be due hereunder and such default shall continue for more than 10 business days after the same shall have become due and payable; or

(b) the Owner, except as herein authorized or contemplated, shall suffer or make any assignment or transfer of its rights or interests hereunder or make any transfer or part with the possession of any of the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded of the Owner and the Lessee in writing such cancelation and recovery of possession; or

(c) the Owner shall for more than 30 days after the Trustee shall have demanded of the Owner and the Lessee in writing performance thereof, fail or refuse to comply with any other of the provisions hereof or of the Lease Assignment on its part to be kept and performed; or

(d) any proceeding shall be commenced by or against the Owner, the Guarantor or the Lessee for any relief which includes, or might result in, any modification of the obligations of the Owner or the Guarantor hereunder or of the Lessee under the Lease or the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Owner or the Guarantor under this Agreement or of the Lessee under the Lease and the Consent, as the case may be, shall not have been and shall not continue to be duly assumed in writing pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Owner, the Guarantor or the Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

(e) any representation of the Owner or the Lessee made in the Participation Agreement or pursuant thereto shall prove to have been false in any material respect when made; or

(f) an Event of Default under and as defined in the Lease shall occur unless the Owner shall have cured or caused to be cured such Event of Default within 10 business days after the Trustee shall have given notice thereof to the Owner; provided, however, that the Owner shall be permitted to cure or cause to be cured no more than two such Events of Default occurring or continuing consecutively and no more than five such Events of Default over the term of this Agreement.

then, in any such case (herein sometimes called an "Event of Default"), the Trustee in its discretion may, and upon the written request of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Owner, declare to be due and payable forthwith the entire amount of the rentals (but not including rentals required for the payment of interest accruing after the date of such declaration)

payable by the Owner, as set forth in Section 4.03 hereof for the entire remaining term of the lease evidenced hereby and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate of 17-1/2% per annum, to the extent legally enforceable, on any portion thereof overdue.

In case any one or more Events of Default shall happen, the Trustee in its discretion also may, and upon the written request of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Owner, declare the unpaid principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable.

In case the Owner shall fail to pay any installment of rental payable pursuant to Section 4.03(B) or 4.03(C) hereof when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of 10 business days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Owner and collect in the manner provided by law out of the property of the Owner (including the Trust Equipment) wherever situated the moneys adjudged or decreed to be payable (subject to the provisions of the last paragraph of Section 4.03 and of Section 4.06).

All rights of action and to assert claims under this Agreement, under the Lease or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as Trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provisions of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 5.02. Remedies. In case of the happening of any Event of Default the Trustee may by its agents enter upon the premises where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, incentive per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease or otherwise contract for the use of the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of rentals payable by the Owner and the unpaid principal of all the then outstanding Trust Certificates, as provided in Section 5.01) sell the Trust Equipment or any part thereof, free from any and all claims of the Owner at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale for cash or upon credit in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Owner or any Owner may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal, lease or sale of the Trust Equipment, the Owner shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Owner and no payments theretofore made by the Owner for the rent or use of the Trust Equipment or any of it shall give to the Owner any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking of possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Owner of rentals then or thereafter due and payable, or of principal and interest in respect of the Trust Certificates, and the Owner (subject to the provisions of the last paragraph of Section 4.03 hereof and Section 4.06 hereof) shall be and remain liable for the same until such sums

have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Owner under this Agreement. So long as (i) no Event of Default (as defined in the Lease) exists under the Lease, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lease may not be terminated and nothing in this Agreement shall limit the rights of the Lessee to the possession, use and assignment of the Equipment as provided under Section 17 of the Lease.

The Owner agrees that any sale of Trust Equipment pursuant to the foregoing paragraph shall be free and clear of any right of the Owner to claim any income tax benefits, deductions, or credits in respect of Trust Equipment so sold for any period beginning after such sale.

SECTION 5.03. Application of Proceeds. If the Trustee shall exercise any of the powers conferred upon it by Sections 5.01 and 5.02, all payments made by the Owner to the Trustee, and the proceeds of any judgment collected from the Owner by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates or a part thereof, or interest thereon) shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the interest then due, with interest on overdue interest at the rate of 17-1/2% per annum, to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the rate of 17-1/2% per annum, to the extent legally enforceable, from the last preceding interest payment date, whether or not such Trust Certificates shall have then matured by their terms, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then first to interest and then to principal.

After all such payments shall have been made in full, the security interest of the Trustee in and to any of the Trust Equipment remaining unsold shall be released by the Trustee so that the title therein of the Owner shall be free from any further liabilities or obligations to the Trustee

hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Owner, subject to the provisions of the last paragraph of Section 4.03, agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Owner.

SECTION 5.04. Waivers of Default. Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 5.01, the holders of not less than 66-2/3% in aggregate unpaid principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive by an instrument in writing delivered to the Trustee any past default and its consequences, except a default in the payment of any installment of rental payable pursuant to Section 4.03(B) or 4.03(C), but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 5.01, but before March 1, 1997, all arrears of rent (with interest at the rate of 17-1/2% per annum upon any overdue installments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Owner's default, and all other sums which shall have become due and payable by the Owner hereunder shall be paid by the Owner (irrespective of the provisions of the last paragraph of Section 4.03) before any sale or lease by the Trustee of any of the Trust Equipment, and every other default shall be made good or secured to the satisfaction of the Trustee, then, and in every such case, the Trustee, if so requested in writing by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding, shall by written notice to the Owner waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.05. Obligations of the Owner Not Affected by Remedies. No retaking of possession of the Trust Equipment

by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Owner or in respect of the Trust Equipment on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Owner by the Trustee or by any such holder, shall affect the obligations of the Owner hereunder.

The Owner hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 5.06. The Owner To Deliver Trust Equipment to Trustee. In case the Trustee shall demand possession of any of the Trust Equipment, the Owner will, as soon as possible, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee in accordance with Section 15 of the Lease and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, without expense to the Trustee, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Owner, requiring the specific performance thereof.

SECTION 5.07. Trustee To Give Notice of Default. The Trustee shall give to the registered holders of the Trust Certificates notice of each Event of Default hereunder actually known to the Trustee at its Corporate Trust Office, promptly after it so learns of the same, unless remedied or cured before the giving of such notice.

SECTION 5.08. Control by Holders of Trust Certificates. The registered holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction (i) if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken or (ii)

if the Trustee shall be advised by counsel that the action so directed may involve it in personal liability as to which the holders have not agreed fully to indemnify the Trustee. The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction given hereunder.

SECTION 5.09. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Owner.

ARTICLE SIX

Additional Covenants and Agreements by the Owner and the Guarantor

SECTION 6.01. Discharge of Liens. The Owner covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, charge, security interest or other encumbrance upon or against any of the Trust Equipment, or the "income and proceeds from the Trust Equipment" (as defined in Section 4.03); but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, provided that such contest will not materially endanger the rights or interest of the Trustee or of the holders of the Trust Certificates and the Owner shall have furnished the Trustee with an Opinion of Counsel to such effect. If the Owner does not forthwith pay and discharge, or cause to be paid and discharged, or make adequate provisions for the satisfaction or discharge of, any such debt, tax, charge, assessment, obligation or claim as required by this Section, the Trustee may, but shall not be obligated to, pay and discharge the same and any amount so paid shall be secured by and under this Agreement until reimbursed by the Owner.

The obligations of the Owner under this Section are subject to the limitations contained in Section 9.05; provided, however, that the Owner will pay or discharge any and all claims, liens, charges or security interests claimed by any party from, through or under the Owner or any successors or assigns of the Owner, not arising out of the transactions contemplated hereby (but including any tax liens arising out of the receipt of rentals and other payments under the Lease or the Participation Agreement), but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Trustee in the Trust Equipment, its interest in said income and proceeds from the Trust Equipment, or otherwise under this Agreement.

SECTION 6.02. Recording. The Owner will, promptly after the execution and delivery of this Agreement, the Lease and the Lease Assignment and each supplement or amendment hereto or thereto, respectively, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303. Subject as aforesaid, the Owner will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record and will refile, reregister and rerecord any and all further instruments required by law or reasonably requested by the Trustee for the purposes of the proper protection of the security interest of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof.

Promptly after the execution and delivery of this Agreement and of each supplement or amendment hereto or thereto, the Owner will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, such document has been properly deposited, filed, registered and recorded and redeposited, refiled, reregistered and rerecorded, if necessary, so as effectively to protect the security interest of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates hereunder and thereunder and reciting the details of such action.

SECTION 6.03. Further Assurances. The Owner covenants and agrees that from time to time it will do all such acts and execute all such instruments of further

assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

SECTION 6.04. Net Worth Requirement. The Guarantor hereby agrees that it will maintain or cause to be maintained the Owner's net worth (computed in accordance with generally accepted accounting principles) in an amount not less than the amount of such net worth as of the Closing Date as set forth in the closing certificate delivered by the Owner pursuant to Section 6(e)(iv) of the Participation Agreement, adjusted only for depreciation of the Trust Equipment and amortization of the principal amount of the Trust Certificates. The Guarantor further agrees that it will deliver or cause to be delivered to the Trustee, the Purchasers and any subsequent holder of a Trust Certificate as soon as available and in any event within 60 days after the end of each fiscal year of the Owner, a certificate signed by the President, any Vice President, the Treasurer or any Assistant Treasurer of the Owner stating that a review of the net worth of the Owner during such year has been made under his supervision with a view to determining whether the Owner has kept the net worth required by this Section and that to the best of his knowledge the Owner during such year has kept the net worth required by this Section, or if the Owner shall have been or shall be in default of such requirement or if an event has occurred or is continuing which, with the giving of notice or the passage of time or both, could constitute a default, specifying all such defaults and events and the nature and status thereof.

ARTICLE SEVEN

Concerning the Holders of Trust Certificates

SECTION 7.01. Evidence of Action Taken by Holders of Trust Certificates. Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate unpaid principal amount of the Trust Certificates may take action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 7.02. Proof of Execution of Instruments and of Holding of Trust Certificates. Proof of the execution of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the person executing the same.

The ownership of Trust Certificates may be proved by the register of such Trust Certificates or by a certificate of the registrar thereof.

SECTION 7.03. Trust Certificates Owned by the Owner or the Lessee. In determining whether the holders of the requisite unpaid principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Owner, the Guarantor or the Lessee or by any other obligor on the Trust Certificates or by an Affiliate of any of them shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which are actually known to the Trustee at its Corporate Trust Office to be so owned, shall be disregarded.

SECTION 7.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.01, of the taking of any action by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement in connection with such action, any holder of a Trust Certificate the serial number of which is shown by the evidence to be included in the Trust Certificates the holders of which have consented to such action may, by filing written notice with the Trustee and upon proof of holding as provided in Section 7.02, revoke such action insofar as concerns such Trust Certificate. Except as aforesaid, any such action

taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement in connection with such action shall be conclusive and binding upon the Owner, the Trustee and the holders of all the Trust Certificates, subject to the provisions of Section 5.08.

ARTICLE EIGHT

The Trustee

SECTION 8.01. Acceptance of Trust. The Trustee hereby accepts the trust imposed upon it by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 8.02. Duties and Responsibilities of the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall not be deemed to have knowledge of any default or Event of Default under this Agreement prior to the time it shall have obtained actual knowledge thereof at its Corporate Trust Office.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligence or its wilful misconduct, except that:

(a) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(b) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority (or such higher percentage as may be specifically provided in any provision hereof for the action specified in such provision) in aggregate unpaid principal amount of the then outstanding Trust Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(d) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate, guarantee or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(e) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement, at the request, order or direction of any of the holders of the Trust Certificates, pursuant

to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby and for its reasonable compensation in so acting; and

(g) the Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement. None of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 8.03. Application of Rentals. The Trustee covenants and agrees to apply the rentals received by it under Section 4.03 when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in Section 4.03.

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment until fully indemnified by the Owner or by one or more holders of the Trust Certificates against all liability and expenses; and the Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or of any supplement hereto or statement of new numbers or any assignments or any other statement or document that may be permitted or required to be filed, recorded, refilled or rerecorded in any jurisdiction to protect or perfect any of the security interests contemplated hereby.

SECTION 8.04. Funds May Be Held by Trustee; Investment in Investment Securities. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself, and, if and to the extent permitted by applicable law or regulations of governmental authorities

having jurisdiction over the Trustee, the Trustee may allow interest upon any such moneys held by it in trust at the rate generally prevailing among banks and trust companies located in the city where the Corporate Trust Office of the Trustee is located, or allowed by it upon deposits of a similar character. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law.

At any time, and from time to time, if at the time no Event of Default shall have occurred and be continuing, the Trustee, on Request, shall invest and reinvest any moneys held by it pursuant to this Agreement in Investment Securities, at such prices, including any premium and accrued interest, as are set forth in such Request, such Investment Securities to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

The Trustee shall, on Request, sell such Investment Securities, or any portion thereof, and restore to moneys held by it pursuant to this Agreement, the proceeds of any such sale up to the amount paid for such Investment Securities, including accrued interest.

The Trustee shall restore to moneys held by it pursuant to this Agreement rent received by it for that purpose under the provisions of Section 4.03(A)(2).

The Owner, if not to the knowledge of the Trustee in default under the terms hereof, shall be entitled to receive any interest allowed as provided in the first paragraph of this Section 8.04, and any interest (in excess of accrued interest, brokers' fees or other expenses paid from Deposited Cash at the time of purchase) or other profit which may be realized from any sale or redemption of Investment Securities.

SECTION 8.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Owner, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto or the security afforded thereby or otherwise.

The Trustee may perform its powers and duties hereunder by or through such attorney and agents as it shall appoint, and shall be answerable only for its own negligence or wilful misconduct and not for the default or misconduct of any attorney or agent appointed by it with reasonable care. The Trustee shall not be responsible in any way for, and makes no representation with respect to, the recitals herein contained or for the execution or validity or enforceability of this Agreement or of the Trust Certificates (except for its own execution thereof).

The Trustee shall be entitled to receive payment of all its expenses and disbursements hereunder, including reasonable counsel fees and expenses, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Owner except to the extent otherwise paid by the Lessee.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates.

Any moneys at any time held by the Trustee or any paying agent hereunder shall, until paid out or invested by the Trustee or any paying agent as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 8.06. Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee may resign and be discharged of the trust created by this Agreement by giving at least 30 days' written notice to the holders of the Trust Certificates and the Owner. Such resignation shall take effect upon receipt by the Trustee of an instrument of acceptance executed by a successor trustee as herein provided in this Section.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding, delivered to the Trustee and to the Owner.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority in aggregate unpaid principal amount

of the then outstanding Trust Certificates by an instrument in writing delivered to the Owner and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Owner by an instrument in writing shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Owner shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section shall be a national bank or a bank or trust company incorporated under the laws of the United States of America, the State of New York or the State of Illinois having its principal office in the City of New York or the City of Chicago and having a capital and surplus of not less than \$100,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(d) The Owner shall give notice to the holders of all outstanding Trust Certificates of each resignation (if not previously given by the Trustee) or removal of the then Trustee and of each appointment by the Owner of a successor trustee pursuant to this Section by mailing written notice of such event by first class mail, postage prepaid.

SECTION 8.07. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 8.06 shall execute, acknowledge and deliver to the Owner, the Guarantor and to the predecessor trustee an instrument accepting such appointment hereunder and, subject to the provisions of Section 8.06(a), thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Request of the Owner or written request of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon written request of any such successor trustee, the Owner shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 8.05.

SECTION 8.08. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 8.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE NINE

Miscellaneous

SECTION 9.01. Rights Confined to Parties and Holders. Nothing expressed or implied herein is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates and the third-party beneficiaries specified herein, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 9.02. Amendment or Waiver. Any provision of this Agreement may be amended or waived with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of the Trust Certificates then outstanding; provided, however, that without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, no such amendment or waiver shall (1) reduce the amount of principal, change the amount or dates of payment of installments of principal or reduce the rate or extend the time of payment of interest with respect to the Trust Certificates without the consent of the holders of each Trust Certificate so affected, (2) reduce the amount of or extend the time of payment of any rentals payable under this Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust otherwise than as expressly permitted by the present terms of this Agreement, or (3) reduce the percent of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver; and provided further that no such amendment or waiver shall modify the rights, duties or immunities

of the Trustee without the prior written consent of the Trustee.

Any amendment or waiver in respect of the Lease may be consented to by the Trustee with the written consent of the holders of a majority of the aggregate unpaid principal amount of the Trust Certificates then outstanding; provided, however, that, if such amendment or waiver would reduce the amount of or extend the time for payment of any rentals or other obligations under the Lease in a manner so as to affect the due and punctual payment of the principal of and interest on the Trust Certificates and the other obligations of the Owner hereunder, the Trustee shall not consent thereto without the prior written approval of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding.

SECTION 9.03. Binding upon Assigns. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9.04. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) the Owner at the address set forth for the Owner in the Lease or such other address as may hereafter be furnished to the Trustee, in writing by the Owner, (b) the Trustee at 33 North La Salle Street, Chicago, Illinois 60690, Attention of Corporate Trust Division, or such other address as may hereafter be furnished in writing by the Trustee and (c) in the case of any holder of the Trust Certificates, at such address as is provided in Appendix I to the Participation Agreement or as otherwise furnished in writing to the Trustee. An affidavit by any person representing or acting on behalf of the Trustee, the Owner or the holders of the Trust Certificates as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 9.05. Satisfaction of Obligations. The obligations of the Owner under Sections 4.07, 4.08 (other than the second paragraph thereof), 4.09, 4.10, 4.11, 5.06, 6.01 (other than the proviso to the last paragraph thereof) and 6.02, but excluding any provisions requiring the execution of any instrument by the Owner, shall be deemed in all

respects satisfied by the Lessee's undertakings contained in the Lease. Except as provided in Section 4.04 hereof, the Owner shall not act as a surety for the Lessee's failure to perform such undertakings, but if any of the same shall not be performed it shall constitute the basis for an Event of Default under Section 5.01. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Trustee.

SECTION 9.06. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9.07. Date Executed. This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 9.08. Law Governs. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the Trustee, the Owner and the Guarantor have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,

[Seal]

Attest:

L. P. Bunnell
Authorized Officer

by R. B. Bremer
Authorized Officer

HGA CORPORATION,

[Seal]

Attest:

A. B. Hall
Authorized Officer

by A. B. Hall
Authorized Officer

HG, Inc.,

[Seal]

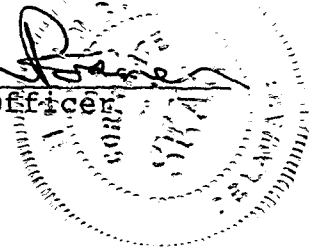
by

Kenneth R. Roemer

Authorized Officer

Attest:

J B Hillman
Authorized Officer



STATE OF ILLINOIS,)

) SS.:

COUNTY OF COOK,)

On this 26th day of February, before me personally appeared RONALD B. BREMEN, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

[Notarial Seal]

Carol A. Westberg
Notary Public
My Commission Expires August 18, 1982

STATE OF ILLINOIS,) ss.:
COUNTY OF COOK,)

On this 26th day of February 1982, before me personally appeared Allen P. Pallas, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of HGA CORPORATION, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol A. Westberg
Notary Public
Commission Expires August 18, 1982

[Notarial Seal]

My Commission Expires August 18, 1982

STATE OF ILLINOIS,)
COUNTY OF COOK,) ss.:

On this 26th day of Feb. 1982, before me personally appeared ~~Kenneth A. Rogers~~ *Kenneth A. Rogers*, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of HG, INC., that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol D'Ascenzo
Notary Public

[Notarial Seal]

My Commission Expires November 7, 1933

SCHEDULE A

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|----------------------------------|
| 17 | TA | 14,000 | UTLX 11296-11299, 11301-11313 |
| 3 | TM | 23,500 | UTLX 67682, 67684, 67685 |

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons or Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|---|--|
| 10 | LO | 5,820 cu. ft. | UTCX 43290-43299 |
| 12 | TM | 26,000 gallons | UTLX 2600-2609, 2611, 2613 |
| 6 | TA | 14,000 gallons | UTLX 11300, 13833- 13837 |
| 19 | TM | 11,000 gallons | UTLX 24720-24738 |
| 25 | TM | 14,000 gallons | UTLX 24739-24763 |
| 45 | TM | 30,000 gallons | UTLX 48145, 48147, 48149-48151, 48154-48156, 48158, 48159, 48161, 48163- 48165, 48167, 48168, 48175, 48177-48182, 48186, 48187, 48190, 48195, 48197, 48198, 48200-48202, 48209, 48211, 48213, 48308, 48311-48314, 48317, 48320, 48321, 48325, 48338 |
| 1 | TM | 16,000 gallons | UTLX 66410 |
| 9 | TM | 18,000 gallons | UTLX 66544, 66547, 66548, 66550- 66555 |
| 13 | TM | 23,500 gallons | UTLX 67742-67751, 67756, 67757, 67578 |
| 16 | LO | 5,820 cu. ft. | UTLX 220102-220107, 220160, 220161, 220163, 220164, 220168-220173 |

156 Total

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 5 | TM | 30,000 | UTLX 48203, 48204, 48206, 48207, 48210 |
| 5 | TM | 20,000 | UTLX 48236-48238, 48240, 48243 |
| 10 | TM | 30,000 | UTLX 48310, 48326- 48331, 48337, 48339, 48340 |
| 11 | TM | 16,000 | UTLX 65929-65939 |
| <u>5</u> | TM | 23,500 | UTLX 67573-67577 |
| 36 | Total | | |

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 31 | TM | 23,500 | UTLX 67712-67730, 67752-67755, 67758-67765 |
| 63 | TM | 16,000 | UTLX 66409, 66411, 66412, 66414- 66473 |
| 7 | TM | 26,000 | UTLX 2610, 2612, 2614, 2615, 2617-2619 |
| 8 | TP | 20,000 | UTLX 27611-27618 |
| 8 | TM | 14,000 | UTLX 24695-24702 |
| 18 | TM | 20,000 | UTLX 67337-67339, 67555-67559, 68006-68007, 68010-68011, 68014, 68053, 68055, 68057- 68059 |
| 40 | TM | 21,000 | UTLX 48002-48010, 48012-48013, 48015, 48017- 48018, 48020- 48023, 48026- 48033, 48037, 48040-48041, 48043-48046, 48048-48050, 48052-48053, 48056, 48061 |
| 29 | TM | 18,000 | UTLX 66542-66543, 66545-66546, 66549, 66556- 66579 |
| 32 | TM | 13,000 | UTLX 60671-60693, 60697, 60699- 60705, 60708 |

236 Total

DESCRIPTION OF TRUST EQUIPMENT

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|--|
| 42 | LO | 5,820 | UTLX 220108, 220111, 220113-220123, 220125-220135, 220137, 220139, 220140, 220142- 220149, 220152, 220153, 220155- 220159 |

42 Total

490 Grand Total

[Form of Trust Certificates]

NOTE: This Trust Certificate has not been registered under the Securities Act of 1933 and must be held indefinitely unless a subsequent disposition hereof is exempt from the registration requirements of said Act.

\$

No.

16-1/2% Equipment Trust Certificates,

Due March 1, 1997

Series H-1

Secured by Union Tank Car Company Lease

Total Authorized Issue: \$15,773,012

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
Trustee

American National Bank and Trust Company of Chicago, not in its individual capacity but solely as Trustee (the "Trustee"), under an Equipment Trust Agreement (the "Agreement") dated as of February 15, 1982, among the Trustee and HGA CORPORATION (the "Owner") and HG, INC., hereby certifies that

or registered assigns is entitled to an interest of

Dollars in Equipment Trust, Union Tank Car Company Lease, due and payable on or before March 1, 1997, in installments as hereinafter provided, and to interest on the amount of unpaid principal from time to time due and owing pursuant to this Trust Certificate at the rate of 16-1/2% per annum. Interest on this Trust Certificate shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on September 1, 1982, shall be computed on an actual elapsed day, 365-day year basis.

This Trust Certificate shall be payable as follows: principal and interest payments shall be made in 30 consecutive semiannual installments on March 1 and September 1 in each year commencing September 1, 1982, calculated so that

the amount of principal and interest payable on each such date shall be substantially in proportion to the amount of principal and interest set forth in respect of such date in Schedule C to the Agreement and such installments of principal shall completely amortize the principal amount of this Trust Certificate.

Interest on any overdue principal and interest, to the extent legally enforceable, shall be payable at the rate of 17-1/2% per annum. Payments of principal and interest shall be made by the Trustee to the registered holder hereof at the Corporate Trust Office of the Trustee at 33 North La Salle Street, Chicago, Illinois 60690, Attention of Corporate Trust Division (the "Corporate Trust Office"), in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. Except as provided in Section 4.08 of the Agreement, prepayments of installments of the principal amount of this Trust Certificate may not be made.

This Trust Certificate is one of an authorized issue of Trust Certificates in an aggregate principal amount not exceeding \$15,773,012 and issued or to be issued under the Agreement. Reference is made to the Agreement (a copy of which is on file with the Trustee at the Corporate Trust Office) for a more complete statement of the terms and provisions thereof, including the rights, obligations and limitations of liabilities of the parties thereto, to all of which the registered holder hereof, by accepting this Trust Certificate, assents.

The transfer of this Trust Certificate is registerable in whole or in part by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at the Corporate Trust Office of this Trust Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Trust Certificate or Certificates for the then unpaid aggregate principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance piece therefor will be issued to the transferor. Prior to due presentment for

registration of transfer, the Trustee may deem and treat the person in whose name this Trust Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement) all installments of principal (and interest accrued thereon) represented by this Trust Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

As more fully set forth in Section 4.03 of the Agreement, the liability of the Owner under the Agreement shall not exceed an amount equal to the income and proceeds from the Trust Equipment, until the Trustee shall have exhausted its remedies against the Trust Equipment, except as provided in Section 4.04 of the Agreement.

The provisions of this Trust Certificate and all the rights and obligations arising hereunder shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the Trustee has caused this Trust Certificate to be signed by one of its Authorized Officers, by his signature or a facsimile thereof, and its seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by one of its Authorized Officers by his signature.

Dated as of

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, as Trustee,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

FOR VALUE RECEIVED, the undersigned hereby sells,
assigns and transfers unto

Please insert Social Security
or other identifying number
of Assignee

.....

.....

the within Equipment Trust Certificate, Due March 1, 1997,
Series H-1, Secured by Union Tank Car Company Lease, and does
hereby irrevocably constitute and appoint

.....

attorney to transfer the said Trust Certificate on the books
of the within named Trustee, with full power of substitution
in the premises.

Dated

SCHEDULE C

Payments Required To Amortize
Remaining Principal Amount

| <u>Date</u> | <u>Total Payment</u> | <u>Interest Payment</u> | <u>Principal Recovery</u> | <u>Remaining Principal Balance</u> |
|-------------|----------------------|-------------------------|---------------------------|------------------------------------|
| 9/1/82 | \$1,419,795.72 | \$1,286,814.90 | \$132,980.82 | \$15,640,031.18 |
| 3/1/83 | 1,434,254.31 | 1,290,302.57 | 143,951.74 | 15,496,079.44 |
| 9/1/83 | 1,434,254.31 | 1,278,426.55 | 155,827.76 | 15,340,251.68 |
| 3/1/84 | 1,434,254.31 | 1,265,570.76 | 168,683.55 | 15,171,568.13 |
| 9/1/84 | 1,434,254.31 | 1,251,654.37 | 182,599.94 | 14,988,968.19 |
| 3/1/85 | 1,434,254.31 | 1,236,589.88 | 197,664.43 | 14,791,303.76 |
| 9/1/85 | 1,434,254.31 | 1,220,282.56 | 213,971.75 | 14,577,332.01 |
| 3/1/86 | 1,434,254.31 | 1,202,629.89 | 231,624.42 | 14,345,707.59 |
| 9/1/86 | 1,434,254.31 | 1,183,520.88 | 250,733.43 | 14,094,974.16 |
| 3/1/87 | 1,434,254.31 | 1,162,835.37 | 271,418.94 | 13,823,555.22 |
| 9/1/87 | 1,434,254.31 | 1,140,443.31 | 293,811.00 | 13,529,744.22 |
| 3/1/88 | 1,434,254.31 | 1,116,203.90 | 318,050.41 | 13,211,693.81 |
| 9/1/88 | 1,434,254.31 | 1,090,954.74 | 344,289.57 | 12,867,404.24 |
| 3/1/89 | 1,434,254.31 | 1,061,560.85 | 372,693.46 | 12,494,710.78 |
| 9/1/89 | 1,434,254.31 | 1,030,813.64 | 403,440.67 | 12,091,270.11 |
| 3/1/90 | 1,434,254.31 | 997,529.78 | 436,724.53 | 11,654,545.58 |
| 9/1/90 | 1,434,254.31 | 961,500.01 | 472,754.30 | 11,181,791.28 |
| 3/1/91 | 1,434,254.31 | 922,497.78 | 511,756.53 | 10,670,034.75 |
| 9/1/91 | 1,434,254.31 | 880,277.87 | 553,976.44 | 10,116,058.31 |
| 3/1/92 | 1,434,254.31 | 834,574.81 | 599,679.50 | 9,516,378.81 |
| 9/1/92 | 1,434,254.31 | 785,101.25 | 649,153.06 | 8,867,225.75 |
| 3/1/93 | 1,434,254.31 | 731,546.12 | 702,708.19 | 8,164,517.56 |
| 9/1/93 | 1,434,254.31 | 673,572.70 | 760,681.61 | 7,403,835.95 |
| 3/1/94 | 1,434,254.31 | 610,816.47 | 823,437.84 | 6,580,398.11 |
| 9/1/94 | 1,434,254.31 | 542,882.84 | 891,371.47 | 5,689,026.64 |
| 3/1/95 | 1,434,254.31 | 469,344.70 | 964,909.61 | 4,724,117.03 |
| 9/1/95 | 1,434,254.31 | 389,739.65 | 1,044,514.66 | 3,679,602.37 |
| 3/1/96 | 1,434,254.31 | 303,567.20 | 1,130,687.11 | 2,548,915.26 |
| 9/1/96 | 1,434,254.31 | 210,285.51 | 1,223,968.80 | 1,324,946.46 |
| 3/1/97 | 1,434,254.31 | 109,308.08 | 1,324,946.46 | .00 |
| Total | \$43,013,170.94 | \$27,840,158.94 | \$15,773,012.00 | |

ANNEX I TO THE
EQUIPMENT TRUST AGREEMENT

[CS&M Ref. 2044-226]

AMENDED AND
RESTATED LEASE AGREEMENT

Dated as of February 15, 1982

between

UNION TANK CAR COMPANY,
Lessee

and

HGA CORPORATION,
Owner

The rights and interests of the Owner under this Amended and Restated Lease Agreement are subject to a security interest in favor of American National Bank and Trust Company, as Trustee for certain institutional investors. The original of this Lease Agreement is held by said Trustee.

[Covering 422 UTLX Tank Cars
and 68 UTLX Covered Hopper Cars]

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AMENDED AND RESTATED LEASE AGREEMENT
("Lease") dated as of February 15, 1982
between HGA Corporation, a Delaware corporation ("Owner"), and Union Tank Car Company, a Delaware Corporation ("Lessee").

WHEREAS, the Lessee, by Bill of Sale and Purchase Agreement dated November 13, 1981 transferred all of its right, title and interest to the railcars described in Exhibit A attached hereto (the "Property"), [which Property will qualify as "Qualified Lease Property" as defined in Section 168(f)(8)(D)(ii) of the Internal Revenue Code of 1954 (the "Code")] for a consideration equal to Lessee's Adjusted Basis on the date thereof;

WHEREAS, the Owner has leased the Property to the Lessee under a lease agreement dated November 13, 1981;

WHEREAS the Lessee, the Owner and certain institutional investors are entering into a Participation Agreement (the "Participation Agreement") dated on the date hereof;

WHEREAS the Owner and the Guarantor are entering into an Equipment Trust Agreement (the "Equipment Trust Agreement") with American National Bank and Trust Company of Chicago (the "Trustee"), pursuant to which equipment trust certificates (the "Trust Certificates") will be issued and sold to reimburse the Owner for a portion of the cost of the Property and the Owner will be obligated to make payments equal to the principal of and interest on the Trust Certificates out of rentals received hereunder and security title and interest in the Property will be conveyed to the Trustee until the Owner fulfills all its obligations under the Equipment Trust Agreement;

WHEREAS the Owner and the Lessee desire to amend and restate their lease agreement dated November 13, 1981; and

WHEREAS the Owner will assign this Lease to the Trustee pursuant to an Assignment of Lease and Agreement (the "Lease Assignment") substantially in the form attached to the Equipment Trust Agreement as Annex II, and the Lessee will consent to the Lease Assignment pursuant to a Consent and Agreement (the "Consent");

NOW THEREFORE, in consideration of the mutual agreements of the parties, the covenants hereinafter mentioned to be kept, the rentals to be paid, and the consideration herein provided, receipt of which is hereby acknowledged, the parties hereto agree that the above-mentioned lease agreement dated November 13, 1981 be and it hereby is amended and restated in its entirety as follows:

SECTION 1. DEFINITIONS

(a) The Terms defined in this Lease and in any agreement or instrument executed in connection herewith shall include the plural as well as the singular and the singular as well as the plural. Except as otherwise indicated, all the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms hereof and thereof.

(b) In this Lease, unless the context otherwise requires, the following terms shall have the respective meaning set forth below:

Equipment Trust Agreement shall have the meaning set forth in the recitals hereto.

Bill of Sale shall mean the Bill of Sale dated November 13, 1981 transferring all of the Lessee's right, title and interest in and to each Item of Property to the Owner.

Casualty Value as of any Rent Payment Date shall mean an amount determined by multiplying the Lessee's Adjusted Basis set forth in Exhibit A-1 hereof for an Item of Property suffering an Event of Loss by the percentage specified in Schedule 2 attached hereto opposite the number of such Rent Payment Date.

Code shall mean the Internal Revenue Code of 1954, as amended, including, without limitation, the amendments adopted and enacted under the Economic Recovery Tax Act of 1981.

Event of Default shall mean any event specified in Section 14.1 to be an Event of Default.

Event of Loss shall have the meaning set forth in Section 12.2 hereof.

Interest Deduction shall have the meaning set forth in Section 19.4(a)(iii) hereof.

Investment Credit shall have the meaning set forth in Section 19.4(a)(i) hereof.

Item of Property shall mean any item of property or interest therein, however defined, which is a component of the Property.

Lease shall mean this instrument (including the Exhibits and the Schedules attached hereto).

Lease Term shall have the meaning set forth in Section 4.3 hereof.

Lessee's Adjusted Basis shall mean with respect to each Item of Property the amount set forth opposite the description of such Item of Property under the caption "Owner's Adjusted Basis" in Exhibit A-1 to the Purchase Agreement adjusted by any changes thereto determined under Sections 19.1 and 19.2 hereof.

Lien shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, or the filing of any financing statement, or agreement to give any security interest, under the Uniform Commercial Code of any jurisdiction, the Interstate Commerce Act or similar state or Federal law.

Owner's Adjusted Basis shall mean with respect to each Item of Property an amount which bears the same relation to the aggregate cash consideration paid by the Owner pursuant to Section 2(a) hereof, as the amount of Owner's Adjusted Basis with respect to such Item of Property bears to the total Owner's Adjusted Basis with respect to all Items of Property, as such amount is reduced from time to time by the amount of Recovery Deductions allowed or allowable under Section 168 of the Code.

Owner's Cost shall mean, with respect to each Item of Property, Owner's Adjusted Basis with respect thereto on November 13, 1981.

Person shall mean any individual, partnership, corporation, trust, incorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Agreement shall mean the Purchase Agreement dated as of November 13, 1981, between the Lessee and the Owner.

Property shall mean all or any of the property of the Lessee described in Exhibits A-1 and A-2 hereto. If, and to the extent that, an Item of Property shall suffer an Event of Loss, and Casualty Value in respect of such Item of Property shall have been paid, Exhibits A-1 and A-2 hereto shall thereupon, without further action of the Owner or the Lessee, be deemed amended by striking the Item of Property subject to such Event of Loss from such Exhibits A-1 and A-2.

Recovery Deduction shall have the meaning set forth in Section 19.4(a)(ii) hereof.

Regulations shall mean proposed, temporary or final Regulations of the Secretary of the Treasury adopted or published under and pursuant to the Code.

Rent shall have the meaning set forth in Section 4.5 hereof.

Rent Payment Date shall mean with respect to each Item of Property each date of payment of Rent shown on Schedule 1 hereto, but if any such date is not a Business Day (as defined in the Equipment Trust Agreement) the Rent otherwise payable on such date shall then be payable on the next succeeding Business Day.

Schedule of Rent Payments shall mean the Schedule of Rent Payments attached as Schedule 1 hereto.

Tax Benefits shall mean and shall include, without limitation, Investment Credit, Recovery Deductions and Interest Deductions under any permanent financing

allowable under the Code for, or in respect of, each Item of Property.

SECTION 2. TRANSFER OF TAX BENEFITS

Execution of the lease agreement dated November 13, 1981, this Lease, the Bill of Sale and Purchase Agreement have caused and will cause the Owner to be treated for Federal income tax purposes (and for all other purposes) as the Owner of the Property and will cause certain Tax Benefits to be realized by the Owner and to be no longer available to the Lessee. In consideration for the sale of the Property pursuant to the Bill of Sale and Purchase Agreement dated as of November 13, 1981 and the execution of the lease agreement dated November 13, 1981 the Owner has paid to the Lessee the sum of \$21,030,683 at the time of execution of the Bill of Sale, Purchase Agreement and the lease agreement dated November 13, 1981.

SECTION 3. OPTION TO PURCHASE

At the end of the Lease Term, the Owner hereby agrees to sell to the Lessee and the Lessee agrees to purchase at a cash price of \$1, all of the Owner's right, title and interest in and to the Property; provided, however, that no such purchase and sale shall take place so long as any Trust Certificates remain outstanding under the Equipment Trust Agreement or any Event of Default hereunder shall have occurred and be continuing. Upon execution of all appropriate documents of sale at the end of the Lease Term, all Items of Property shall be deemed to be redelivered to the Lessee "as, where is" and this Lease shall be terminated.

SECTION 4. LEASE

4.1. Lease. By virtue of the characterizations and elections set forth herein, the Owner, as owner of each Item of Property, hereby leases each Item of Property to the Lessee for the Lease Term.

4.2. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any

abatement of Rent or reduction thereof or setoff against Rent, including, but not limited to abatements, reductions or setoffs due or alleged to be due to any present or future claims of the Lessee against the Owner under this Lease or the Equipment Trust Agreement, including the Lessee's rights by subrogation against the Trustee or against any assignee of the Lessee pursuant to Section 17 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner or the Lessee be otherwise affected, by reason of any defect in title to any Item of Property or defect in or damage to or loss or destruction of all or any Item of Property from whatsoever cause, the taking or requisitioning of all or any Item of Property by condemnation or the interference with such use by any Person, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or lack of right, power or authority similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Rent and other amount payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 12.4 hereof. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease of all or any Item of Property except in accordance with the express terms hereof. Each Rent or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner or any holder of the Trust Certificates or the Trustee for any reason whatsoever.

4.3 Term of the Lease. The term of this Lease as to each Item of Property shall begin on November 13, 1981, and subject to the provisions of Sections 12.4 and 14, shall terminate as to such Item of Property upon the earlier of February 1, 2002, or upon the date of the next Rent Payment Date following the date of any Event of Loss with respect to any Item of Property.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Property are subject to the rights of the Trustee under the Equipment Trust Agreement, and, if an Event of Default should occur under the Equipment Trust Agreement, the Trustee may terminate this Lease (or rescind

its termination), all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under Section 17 hereof.

4.4 Section 168(f)(8) Election. For Federal income tax purposes this Lease shall constitute an agreement with respect to "qualified leased property", as such term is defined in Section 168(f)(8)(D) of the Code. The Owner, as lessor, and the Lessee, as lessee, hereby agree (i) irrevocably to elect to have the provisions of Section 168(f)(8) of the Code to apply hereto and (ii) to file in timely manner the information returns and, if any, the amended returns or other documents specified in Section 5c.168(f)(8)-2 of the Regulations or in any subsequent Regulations which may apply to this transaction.

4.5 Rent. The Lessee shall pay to the Owner, on each Rent Payment Date during the Lease Term, Rent with respect to all Items of Property in the amount set forth in the Schedule of Rent Payments.

4.6 Place of Rent Payment. For so long as the Equipment Trust Agreement shall remain in effect, the Owner irrevocably instructs the Lessee to make all the payments due the Owner provided for in this Lease, other than amounts payable directly to the Owner pursuant to Section 7 or Section 11 hereof, to the Trustee, for the account of the Owner, in care of the Trustee, with instructions to the Trustee (a) first to apply such payments to satisfy the obligations of the Owner under the Equipment Trust Agreement due and payable on the date such payments are due and payable hereunder and (b) second, so long as no Event of Default (or event which, with notice or lapse of time or both, could constitute an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing, to pay any balance promptly to the Owner in immediately available funds at such address as the Owner shall specify in writing.

The Lessee agrees to make each payment contemplated by this Section 4.6 in immediately available funds at or prior to 12:00 p.m., Chicago time, at the Corporate Trust Office (as defined in the Equipment Trust Agreement) on the date due, or if the Equipment Trust Agreement shall no longer be in effect, at the office of the Owner.

SECTION 5. OWNERSHIP AND MARKING OF PROPERTY

5.1. Retention of Title. The Owner, as between the Owner and the Lessee, shall and hereby does retain full legal title to each Item of Property notwithstanding the possession and use thereof by the Lessee; it being understood, however, that the Owner has assigned title for security purposes to the Trustee pursuant to the Equipment Trust Agreement until such time as the trust created thereby shall have terminated in accordance with the provisions thereof.

5.2. Duty to Number and Mark Property. The Lessee will cause each Item of Property to be kept numbered with its road number as set forth in Exhibit A-2 hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Property in letters not less than 3/8th's inch in height as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION."

with appropriate changes thereof and additions thereto as from time to time may be required by law, in the reasonable opinion of the Trustee and the Owner, in order to protect the Trustee's and the Owner's title to and interest in such Item of Property, the Owner's rights under this Lease and the rights of the Trustee under the Equipment Trust Agreement. The Lessee will not place any such Item of Property in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Property except in accordance with a statement of new road numbers to be substituted therefor, which statement previously shall have been delivered to the Trustee and the Owner, by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

5.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Item of Property as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause any Item of Property to be lettered with the names

or initials or other insignia customarily used by the Lessee or its affiliates or sublessees on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use any Item of Property under this Lease.

SECTION 6. DISCLAIMER OF WARRANTIES

THE LESSEE LEASES THE PROPERTY, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY EITHER THE OWNER OR OTHERWISE AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSES OR MERCHANTABILITY OF ANY ITEM OF PROPERTY, (B) THE TITLE THERETO, OR THE OWNER'S INTEREST THEREIN, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF, THE MATERIAL, ANY PART OF ANY ITEM OF PROPERTY OR WORKMANSHIP IN, ANY ITEM OF PROPERTY, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE OWNER AND THE LESSEE ARE TO BE BORNE BY THE LESSEE. THE OWNER HEREBY APPOINTS AND CONSTITUTES THE LESSEE ITS AGENT AND ATTORNEY-IN-FACT DURING THE LEASE TERM TO ASSERT AND ENFORCE, FROM TIME TO TIME, IN THE NAME AND FOR THE ACCOUNT OF THE OWNER AND THE LESSEE, AS THEIR INTERESTS MAY APPEAR, BUT IN ALL CASES AT THE SOLE COST AND EXPENSE OF THE LESSEE, WHATEVER CLAIMS AND RIGHTS THE OWNER MAY HAVE AGAINST ANY PERSON OTHER THAN THE LESSEE; PROVIDED, HOWEVER, THAT IF AT ANY TIME AN EVENT OF DEFAULT SHALL HAVE OCCURRED, THE OWNER MAY ASSERT AND ENFORCE, AT THE LESSEE'S SOLE COST AND EXPENSE, SUCH CLAIMS AND RIGHTS. THE OWNER SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO THE LESSEE OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE FOLLOWING: (i) ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY ANY ITEM OF PROPERTY OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCES IN CONNECTION THEREWITH; (ii) THE USE, OPERATION OR PERFORMANCE OF ANY ITEM OF PROPERTY OR ANY RISKS RELATING THERETO; (iii) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR CONSEQUENTIAL DAMAGES; OR (iv) THE DELIVERY, PURCHASE, ACCEPTANCE, REJECTION, SALE, LEASING, RETURN, STORAGE, OPERATION, SERVICING, MAINTENANCE, REPAIR IMPROVEMENT OR REPLACEMENT OF ANY ITEM OF PROPERTY.

SECTION 7. LESSEE'S INDEMNITY

7.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Owner, the holders of the Trust Certificates, the Trustee and their respective successors, assigns, agents and servants (the "Indemnified Persons") from and against:

(a) any and all loss or damage to any Item of Property, reasonable wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any Indemnified Person (i) relating to any Item of Property or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Property or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee, an Indemnified Person or otherwise), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Owner and/or the Lessee for itself or as agent or attorney-in-fact for the Owner hereunder, (iii) as a result of claims for patent, trademark or copyright infringements relating to any Item of Property, (iv) as a result of claims for negligence, intentional acts or strict liability in tort related to this Lease or any Item of Property, (v) any violation, or alleged violation, of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to the Property or the leasing, ownership, use, replacement, adaptation or maintenance thereof, (vi) any claim arising out of any of the Owner's obligations under the Lease Assignment, the Equipment Trust Agreement or the Participation Agreement; or (vii) any claim arising out of the Trustee's holding a security interest under the Equipment Trust Agreement or the Lease Assignment;

excluding, however, with respect to an Indemnified Person any matter resulting from an act or omission of the Indemnified Person which would constitute the wilful misconduct or gross negligence of such Indemnified Person (all of which matters indemnified against pursuant to the above being hereafter called the "Indemnified Matters").

7.2 Indemnity Payments. All payments under this Section 7 shall be made directly to the Indemnified Person. The Lessee shall be obligated under this Section 7, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same Indemnified Matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this Section 7 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this Section 7, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and Owner each agrees to give each other promptly upon obtaining knowledge thereof written notice of any Indemnified Matter. Upon the payment in full of any indemnities as contained in this Section 7 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) has occurred and is continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect the Indemnified Matter. Any payments received by such indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments or related expenses previously made in respect of such matter.

7.3 Continuation of Indemnities and Assumptions.

The indemnities and assumptions of liability contained in this Section 7 shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the Lease Term hereof in respect of any or all Items of Property, whether by expiration of time, by operation of law, or otherwise. None of the indemnities in this Section 7 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees at its expense to prepare and deliver to the Owner within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner) any and all reports (other than income tax returns) to be filed by the Owner with any Federal, state or other regulatory authority by reason of the ownership by the Owner or the Trustee of the Property or the leasing thereof to the Lessee.

The indemnities arising under this Section 7 shall not be deemed to operate as a guarantee of the payment of the principal of or interest on the Trust Certificates.

SECTION 8. RULES, LAWS AND REGULATIONS

The Lessee agrees for the benefit of the Owner and the Trustee to comply at all times during the Lease Term with all governmental laws, regulations, requirements, rules and executive and judicial orders (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto to the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) with respect to the title, use and maintenance of each Item of Property (all such laws, regulations, requirements and orders to such extent being hereinafter called the "Applicable Laws"); provided, however, that the Lessee shall be under no obligation to so comply so long as it is contesting in good faith and by appropriate legal proceedings such Applicable Law, and such failure or compliance does not, in the reasonable opinion of the Owner or the Trustee, adversely affect the interest of either in any Item of Property under this Lease or the Equipment Trust

Agreement. In case any equipment or appliance is required to be altered, added, replaced or modified on any Item of Property in order to comply with Applicable Laws, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Owner. The Lessee agrees that, within thirty (30) days after the close of any calendar quarter in which the Lessee had made any such alteration, the Lessee will give written notice thereof to the Owner describing, in reasonable detail, such alteration and specifying the cost thereof with respect to each Item of Property and the date or dates when made. Notwithstanding the fact that title to such alteration shall be transferred to the Owner, the Lessee shall, to the extent permitted by applicable law, be entitled to claim the Investment Tax Credit and Recovery Deductions to which it would otherwise be entitled as owner of such alterations; if such Credit and/or Deductions are not, as a result of applicable law, available to the Lessee, the Lessee shall take whatever action may be necessary or appropriate to vest such Credit and/or Deductions in the Owner.

SECTION 9. USE AND MAINTENANCE OF PROPERTY

The Lessee shall use the Property only in the manner for which it was designed and intended, and so as to subject it only to reasonable wear and tear. The Lessee shall, at its own cost and expense, maintain and keep each item of Property in good order, condition and repair, reasonable wear and tear excepted, and qualified for use in interchange. Except as required by the provisions of Section 8 hereof, the Lessee shall not modify any Item of Property without the prior written authority and approval of the Owner which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Property pursuant to Section 8 hereof or pursuant to its obligation to maintain and keep each Item of Property in good order, condition and repair under this Section 9 shall be considered accessions to such Item of Property and title thereto shall immediately be vested in the Owner without cost or expense to the Owner. The Lessee shall make no other additions or improvements to any Item of Property unless the same are readily removable without causing material damage to such Item of Property. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable

additions or improvements to be made to any Item of Property, the Lessee agrees that it will, prior to the return of such Item of Property to the Owner hereunder, remove the same at its own expense without causing material damage to such Item of Property.

SECTION 10. LIENS ON THE PROPERTY

The Lessee shall pay or satisfy and discharge any and all claims against or affecting any Item of Property, which if uncured, might constitute or become a Lien or a charge upon any Item of Property, and any Liens or charges which may be levied against or imposed upon any Item of Property as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease or otherwise, and any other Liens or charges which arise by virtue of claims against, through or under any party other than the Owner or the Trustee, but the Lessee shall not be required to pay or discharge any such claim so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Owner or the Trustee in and to the Property. The Lessee's obligations under this Section 10 shall survive the termination of this Lease.

SECTION 11. FILING; PAYMENT OF TAXES

11.1. Filing. The Lessee will, at its sole expense, cause this Lease, the Equipment Trust Agreement and the Lease Assignment to be duly filed, registered, recorded or deposited with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 and in such other places within or without the United States as the Owner and the Trustee may reasonably request and will furnish the Owner and the Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Owner or the Trustee for the purpose of protecting the Owner's and the Trustee's respective interests in any Item of Property to the satisfaction of the Owner's or the Trustee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Owner and the Trustee proof of such filings and an opinion of the

Lessee's counsel that such action has been properly taken. The Lessee shall pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action, and shall provide an opinion of counsel as to the proper recordation or filing of such instrument.

11.2 Payment of Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Owner, the Trustee, the holders of Trust Certificates and the estate held in trust by the Trustee under the Equipment Trust Agreement ("Indemnitees") harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner, the Trustee, the holders of Trust Certificates, the Lessee, the trust estate created by the Equipment Trust Agreement or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Item of Property or any part thereof; the manufacture, purchase, ownership, delivery, leasing, subleasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom or value added thereto; this Lease, the Lease Assignment, the Consent, the Equipment Trust Agreement, the Participation Agreement, the Trust Certificates or the issuance thereof under the Equipment Trust Agreement, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the property by the Owner or by the Trustee under the Equipment Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Impositions"); excluding, however: (i) Impositions of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner (in its individual capacity), the holders of Trust Certificates or the Trustee (in its individual capacity) or franchise taxes measured by the net income

of the Owner, the holders of Trust Certificates or the Trustee, other than Impositions arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease or the Participation Agreement; (ii) any Impositions imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Item of Property or interest in Rent under this Lease without the consent of the Lessee, unless, in each case, such transfer or disposition is required or contemplated by this Lease or an Event of Default shall have occurred and be continuing; and (iii) any Impositions imposed on or measured by any trustee fees received by the Trustee; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of any Indemnatee, adversely affect the interest of any Indemnatee hereunder or under the Lease Assignment, the Consent or the Equipment Trust Agreement. If any Impositions shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have given written notice thereof to the Lessee and the same shall remain unreimbursed for a period of ten (10) business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of an invoice therefor. Prior to making payment of any Imposition, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event that the Owner shall become obligated to make any payment to the Trustee or otherwise pursuant to any corresponding provision of the Equipment Trust Agreement not covered by the foregoing paragraph of this Section 11.2, the Lessee shall pay such additional amounts (which shall also be deemed Impositions hereunder) to the Owner to fulfill completely its obligations pursuant to said provision.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Property, the Lessee will either prepare and file such reports in such manner as to show, as required, the interest of each Indemnatee in such Items of Property or, if

it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the Lease Term, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during the Lease Term) which the Lessee is or will be obligated to pay or reimburse pursuant to this Section 11.2, such liability shall continue, notwithstanding the expiration or termination of the Lease Term for any reason whatsoever, until all such Impositions are paid or reimbursed by the Lessee.

The Lessee shall furnish promptly, upon request, such information and data as is normally available to the Lessee and which the Owner or the Trustee reasonably may require to permit compliance with the requirements of any taxing authorities.

SECTION 12. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE

12.1 Insurance. The Lessee agrees that it will at all times during the Lease Term and during any return and storage period hereunder and at its own cost and expense keep each Item of Property insured against such risks and in such amounts as are customarily insured against by similar companies, and in any event insured in the same manner and to the same extent that the Lessee insures other similar equipment which it owns or leases, and will maintain general public liability insurance with respect to each Item of Property against the damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$210,000,000 in the aggregate in any single occurrence. Any such property insurance may have deductible provisions to no greater extent than \$2,000,000 in the aggregate in any single occurrence, and any public liability insurance may have deductible provisions to no greater extent than \$2,000,000 in the aggregate in any single occurrence. All such insurance shall cover the interest of the Owner, the Lessee and the Trustee in the Property or, as the case may be, shall protect the Owner, the Lessee and the Trustee in respect of risks arising out of the condition, maintenance, use, ownership and operation of the Property and shall provide that losses, if any,

in respect of the Property shall, subject to the following provisions of this Section 12.1, be payable to the Owner, the Trustee and, so long as there shall be no Event of Default hereunder, the Lessee as their respective interests may appear. All policies of insurance maintained pursuant to this Section shall (i) provide that thirty (30) days' prior written notice of cancellation or other material change shall be given to the Owner and the Trustee, (ii) name the Trustee and the Owner as additional named insureds as their respective interests may appear and (iii) waive any rights to claim any premiums or commissions against the Trustee and the Owner. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Trustee and the Owner in such policies the insurance shall not require contributions from other policies held by the Trustee or the Owner and shall not be invalidated by any act or neglect of the Lessee or any other person (other than the Trustee or the Owner, respectively) and shall insure the Trustee and the Owner regardless of any breach or violation of any warranty declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Owner respectively.) The Lessee agrees that the Trustee and the Owner shall not be held liable for insurance premium payments or deductible loss amounts under such policies. The loss, if any, shall be adjusted only with the approval of the Lessee, the Trustee and the Owner. All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this Lease. The Lessee shall further furnish the Trustee and the Owner with certificates or other satisfactory evidence of maintenance of the insurance required hereunder, and with respect to any renewal policy or policies shall furnish certificates or other satisfactory evidence of maintenance of the insurance required hereunder, and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration of the original policy or policies. All insurance provided for in this Section shall be maintained with insurance companies approved by the Trustee and the Owner which approval shall not be unreasonably withheld.

The proceeds of any property insurance received by the Trustee or the Owner will be paid to the Lessee either (i) upon a written application signed by the Lessee for payment of, or to reimburse the Lessee for payment of, the costs of repairing, restoring or replacing the Item of Property which has been lost, damaged or destroyed (which

application shall be accompanied by satisfactory evidence of such cost and the completion of such repair, restoration or replacement) or (ii) if this Lease is terminated with respect to such Item of Property because of the loss, damage or destruction thereof promptly upon payment by the Lessee of the Casualty Value; provided, however; that, if the Lessee is at the time of the application in default in the payment of any other liability of the Lessee to the Trustee or the Owner hereunder, such proceeds may be applied against such liability.

12.2. Duty of the Lessee to Notify the Trustee and the Owner. In the event that any Item of Property shall be or become lost, stolen, destroyed or, in the reasonable opinion of the Lessee, irreparably damaged during the Lease Term or thereafter while such Item of Property is in the possession of the Lessee, or title or use thereof shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the Lease Term for a stated period which exceeds the then remaining term of this Lease (any such occurrence being hereinafter called an "Event of Loss"), the Lessee shall promptly and fully (after it has knowledge of such Event of Loss) inform the Trustee and the Owner in regard thereto and shall pay the Casualty Value of such Item in accordance with the terms of Section 12.3 hereof.

12.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding Rent Payment Date following its knowledge of an Event of Loss with respect to any Item of Property, shall pay to the Trustee or the Owner the Rent due on such Rent Payment Date for any such Item of Property plus any other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of any such Item of Property as of such Rent Payment Date.

12.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 12.3 hereof in respect of any Item of Property, the obligation to pay Rent for such Item of Property accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay Rent for all other Items of Property.

12.5. Disposition of Property. The Lessee shall, as agent for the Owner dispose of such Item of Property having suffered an Event of Loss as soon as it is able to do so for the fair market value thereof. Any such disposition

shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Property so disposed of the Lessee may, so long as no Event of Default shall have occurred and be continuing hereunder and so long as the Lessee has complied with the provisions of Section 12.3 hereof, retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Event of Loss plus any requisition or condemnation or awards attributable thereto. In disposing of such Item of Property, the Lessee shall take such action as the Trustee or the Owner shall reasonably request to terminate any contingent liability which the Trustee or the Owner might have arising after such disposition from or in connection with such Item of Property.

12.6. Casualty Value. The Casualty Value of each Item of Property shall be an amount determined as of the date of the Event of Loss equal to that percentage of the Lessee's Adjusted Basis for such Item of Property, as set forth in Exhibit A-1 hereto, set forth in the schedule of Casualty Value Percentages attached hereto as Schedule 2 opposite such date of payment.

12.7. Risk of Loss. The Lessee shall bear the risk of loss with respect to the Property and, except as hereinabove in this Section 12 provided, shall not be released from its obligations hereunder in the event of any Event of Loss to any Item of Property from and after the date thereof and continuing until payment of the Casualty Value and all Rent and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Property have been made.

12.8. Eminent Domain. In the event that during the Lease Term, the use of any Item of Property is requisitioned or taken by any governmental authority or otherwise under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the Lease Term, the Lessee's obligation to pay Rent and other sums due hereunder shall continue. So long as no Event of Default has occurred and/or is continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 13. ANNUAL REPORTS

13.1 Duty of Lessee to Furnish. On or before April 1, 1983, and annually thereafter, the Lessee will furnish to the Trustee and the Owner an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Property then leased hereunder, the amount, description and numbers of all Items of Property that may have suffered an Event of Loss during the twelve (12) months ending on such December 31 (or since November 13, 1981, in the case of the first such statement) and such other information regarding the condition or repair of any item of the Property as the Trustee and the Owner may reasonably request and (b) stating that all Items of Property then leased hereunder are covered by the insurance required to be maintained pursuant to Section 12.1 hereof (identifying the scope of all such coverage and the insurance carrier or carriers), and that, in the case of all Property repainted during the period covered by such statement, the markings required by Section 5.2 hereof and the Equipment Trust Agreement shall have been preserved or replaced.

13.2. Inspection Rights. The Trustee and the Owner shall have the right, at their respective sole cost and expense, by their respective authorized representatives, to inspect the Property and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Property during the Lease Term.

SECTION 14. DEFAULT

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) default shall be made in the payment of any part of the Rent or other sums due hereunder and such default shall continue for five (5) days;

(b) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of any Item of Property;

(c) default shall be made in the observance or performance of any of the covenants, conditions and agreements on the part of the Lessee contained in Section 12 of this Lease;

(d) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein, in the Participation Agreement, the Consent, the Bill of Sale and Purchase Agreement and such default shall continue for thirty (30) days after written notice from the Owner shall have been received by the Lessee pursuant to personal service thereof or by certified or registered mail, specifying the default and demanding the same to be remedied;

(e) any representation or warranty made by the Lessee herein or in the Bill of Sale and Purchase Agreement, the Participation Agreement or in any statement or certificate furnished to the Trustee or the Owner pursuant to or in connection with this Lease, the Bill of Sale or the Participation Agreement is untrue in any material respect as of the date of issuance or making thereof;

(f) a petition for reorganization under the bankruptcy, insolvency or similar act, as now constituted or as hereafter amended or enacted, shall be filed by or against the Lessee, and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings or otherwise given a status comparable to the obligations incurred by such trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier;

(g) any other proceeding shall be commenced by or against the Lessee for any relief under any bankruptcy, insolvency or similar law, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings or otherwise given a status comparable to obligations incurred by such trustee or trustees or

receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings have been commenced, whichever shall be earlier;

(h) the Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering real or personal property required for the continued operation of the Lessee, and all remedies in respect of such default shall not then be stayed pursuant to the terms of the contract governing such obligations; or

(i) an Event of Default set forth in Article Five of the Equipment Trust Agreement shall have occurred arising out of any default by the Lessee in performing any of its obligations hereunder or under the Participation Agreement.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Owner at its option, may:

(a) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; or

(b) by notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Property shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Owner may by its agents enter upon the premises of the Lessee or other premises where any of the Property may be located and take possession of all or any of the Items of Property and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Owner shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the Rent for any number of days less than a full rental period by multiplying the Rent for such full rental period by a fraction the numerator of which is such number of days and the denominator of

which is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner in its sole discretion, shall specify: (a) a sum with respect to each Item of Property which represents the excess of the present worth, at the time of such termination, of all Rent for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the Lease Term over the then present worth of the then Fair Rental Value (as hereinafter defined) of such Item for such period computed by discounting from the end of such Term to the date of such termination rentals which the Owner reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of five per centum (5%) per annum discount, compounded quarterly from the respective dates upon which Rents would have been payable hereunder had this Lease not been terminated, or (b) an amount equal to the excess, if any, of the Casualty Value of such Item of Property as of the Rent Payment Date on or immediately preceding the date of termination over the amount the Owner reasonably estimates to be the Fair Market Value (as hereinafter defined) thereof at such time; provided, however, that in the event the Owner or the Trustee shall have sold any Item of Property, such party, in lieu of collecting any amounts payable thereto by the Lessee pursuant to the preceding clauses (a) and (b) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay such party and the Lessee shall pay to such party, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Property as of the Rent Payment Date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages or expenses, other than for a failure to pay Rent, in addition thereto, including reasonable attorneys' fees, which the Owner shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Rent.

For purposes of this Section 14.2, the "Fair Rental Value" for any Item of Property shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently

in possession) and an informed and willing lessor under no compulsion to lease. If the Owner and the Lessee are unable to agree upon a determination of the Fair Rental Value of such Item of Property, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean two independent appraisers, one chosen by the Owner and one chosen by the Lessee, or if such appraisers cannot agree on the amount of such Value, determined on the basis of an appraisal made by a third appraiser chosen by the American Arbitration Association. The Appraiser shall be instructed to make such determination within a period of thirty (30) days following appointment, and shall promptly communicate such determination in writing to the Owner and the Lessee. The determination so made shall be conclusively binding upon both the Owner and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee. The "Fair Market Value" for any Item of Property shall be determined in a similar manner with appropriate adjustments for sale rather than rental, with any appraisal expenses to be borne by the Lessee; provided, however that any sale in a commercially reasonable manner of any Item of Property prior to any such determination shall conclusively establish the Fair Market Value of such Item, and any rental in a commercially reasonable manner of any Item of Property prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Owner shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the Rent due hereunder, and agrees to make the Rent regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Property.

14.4. Failure to Exercise Rights. The failure of the Owner to exercise the rights granted to it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any right upon the continuation or recurrence of any such contingencies or otherwise.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Owner and the Trustee promptly upon any responsible officer becoming aware of any condition which constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof and indicating the intention or expectation of the Lessee as to the disposition thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF PROPERTY UPON DEFAULT

15.1. Lessee's Duty to Return. If this Lease shall terminate pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Property to the Owner. For the purpose of delivering possession of any Item of Property to the Owner as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) forthwith place such Property in such reasonable storage place as the Owner may designate or, in the absence of such designation, as the Lessee may select;

(b) permit the Owner to store such Property in such reasonable storage place without charge for insurance, rent or storage until such Property has been sold, leased or otherwise disposed of by the Owner; and/or

(c) transport the Property to any place all as the Owner may direct in writing.

Each Item of Property returned to the Lessee pursuant to this Section 15 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any part, addition or improvement title to which is vested in the Owner pursuant to Section 8 hereof and have removed therefrom, at the expense of the

Lessee any readily removable addition or improvement title to which is vested in the Lessee pursuant to Section 9 hereof, and (iii) meet the applicable standards then in effect for such Item of Property under all governmental laws, regulations, requirements and rules (including without limitation, rules of the United States Department of Transportation, the Interstate Commerce Commission, and interchange rules or supplements thereto of the Association of American Railroads).

Until the date on which an Item of Property is assembled, delivered and stored as hereinabove provided, the Lessee shall pay the Owner in addition to the payments required hereunder an amount per day equal to one hundred and fifty percent (150%) of the daily Rent for each such Item hereunder.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Property as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Property.

15.3. The Owner Appointed the Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Owner as the agent and attorney-in-fact of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Property to the Owner, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall at the time be in possession of such Item.

SECTION 16. ASSIGNMENTS BY THE OWNER

This Lease and all Rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Owner without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner other than the Trustee except upon written notice of such assignment from the Owner received by the Lessee by personal service or by certified or registered mail. Upon notice to the Lessee of any such assignment, the Rent and

other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of any assignee. The Lessee acknowledges the assignment made by the Lease Assignment and agrees to make Rent payments to the Trustee as provided in Section 4.6.

SECTION 17. ASSIGNMENTS BY THE LESSEE; USE AND POSSESSION

17.1. Lessee's Rights to the Property. (a) So long as (i) no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Property in accordance with the terms of this Lease, but, without the prior written consent of the Owner and the Trustee, the Lessee shall not assign, transfer or encumber its interest under this Lease in any of the Property except as to any Liens or encumbrances created hereunder or to the extent permitted by the provisions of Section 17.2. The Lessee shall not, without the prior written consent of the Owner and the Trustee part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Property, except to the extent permitted by the provisions of this Section 17.

(b) The Lessee shall not use, and shall not permit or suffer the use of, any Item of Property outside the United States of America, except for de minimus use in Canada. No assignment, sublease or permitted use shall relieve the Lessee of any of its obligations, liabilities or duties hereunder, which shall be and remain those of a principal and not surety.

17.2. Permitted Subleases. Subject to the provisions of Section 17.1(b) hereof and without abrogating any obligation of the Lessee hereunder, the Lessee may sublease any Item of Property in accordance with its normal business practices so long as such sublease does not constitute a lease pursuant to Section 168(f)(8) of the Code or the regulations thereunder.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease,

shall be entitled (subject to the rights of the Owner or the Trustee upon the happening of an Event of Default) to the possession of each Item of Property included in such sublease and the use thereof, and may provide for lettering or marking upon such Property for convenience of identification of the leasehold interest of such sublessee therein. Every such sublease shall expressly subject the rights of the sublessee under any such sublease to the rights of the Owner and the Trustee hereunder and under the Equipment Trust Agreement.

SECTION 18. INTEREST ON OVERDUE RENTALS

Anything to the contrary herein contained notwithstanding, any nonpayment of Rent due hereunder shall result in the additional obligation on the part of the Lessee to pay also an amount equal to eighteen percent (18%) per annum (or the highest lawful rate, whichever is less) on the overdue rentals for the period of time during which they are overdue.

SECTION 19. FEDERAL INCOME TAX INDEMNIFICATION

19.1. Redetermination of Adjusted Basis. (a) If at any time it shall be determined that (A) the actual adjusted basis of the Lessee with respect to any Item of Property is less than Lessee's Adjusted Basis set forth with respect to such Item of Property in Exhibit A-1, or (B) any Item of Property does not constitute "qualified leased property" as defined in Section 168(f)(8) of the Code, then the Lessee's Adjusted Basis as set forth in Exhibit A-1 to the Purchase Agreement, and the amount paid as provided in Section 2(a) shall, without further action by the parties hereto, be adjusted to reflect such lower amount, as of the date of this Lease. The resulting deduction in the amount provided in Section 2(a) shall be repaid by the Lessee to the Owner promptly upon such determination, together with interest at a rate per annum equal to eighteen percent (18%) (or the highest lawful rate, whichever is less). The parties may execute and deliver amendments to this Agreement and such other instruments and documents as they may agree in order to evidence and reflect such adjustments, it being agreed that no such execution and delivery is necessary to effect such adjustments.

(b) If at any time prior to the filing of the Owner's Federal income tax return for the taxable year

including the date of this Lease as originally executed it shall be determined that the actual adjusted basis of the Lessee with respect to any Item of Property is greater than the Lessee's Adjusted Basis set forth with respect to such Item of Property in Exhibit A-1, the Owner shall pay to the Lessee the amount of such excess and the Rent due hereunder shall be increased proportionately as of the date of this Lease. The parties shall promptly execute and deliver amendments to this Lease and such other instruments and documents as they may agree in order to evidence and reflect such adjustments, it being agreed that no such execution and delivery is necessary to effect such adjustments.

19.2. Tax Representations of the Lessee. The Lessee represents and warrants to the Owner as follows:

(a) Warranty as to Tax Benefits. Upon the execution and delivery of this Lease, the Owner will acquire the full and valid right to claim and have the Tax Benefits, subject to the terms and conditions of this Lease, and the Lessee will take any and all action required to defend the Owner's right to claim and have the same.

(b) Federal Tax Characteristics of the Property. Each Item of Property is "qualified leased property" within the meaning of Section 168(f)(8)(D) of the Code, except that the Lessee makes no representation or warranty with respect to the qualification of the Property under Section 168(f)(8)(D)(ii)(III) of the Code, and further, is "10-year property" within the meaning of Section 168(c)(2)(B) of the Code with respect to which Recovery Deductions in the respective percentages of the Owner's Cost set forth in Section 168(b)(1)(A) of the Code are allowable in each recovery year. the Lessee's Adjusted Basis of each Item of Property, for purposes of Section 168(f)(8)(D)(ii)(III) of the Code, is not less than the the Lessee's Adjusted Basis, as herein defined. Each Item of Property identified in Exhibit A-2 hereto is "new Section 38 property" within the meaning of Section 48(b) of the Code and an amount equal to 10% of the Owner's Cost constitutes the amount of the Investment Credit allowable under Section 46 of the Code. Each Item of Property was, but for the provisions of Section 168(f)(8)(D) of the Code, placed in service by the Lessee after December 31, 1980, and on or before the date hereof. The Lease Term does not exceed the greater of ninety percent (90%) of the useful life of each Item of Property for purposes of Section 167 of the Code, or one hundred fifty percent (150%) of the present

class life of any Item of Property within the meaning of Section 168(f)(8)(B)(iii)(I) or (II) of the Code.

(c) Assuming the accuracy of the Owner's representations, all of the requirements of Section 168(f)(8)(B) of the Code have been met on the date hereof for each Item of Property.

(d) Neither the Lessee nor any Person claiming through the Lessee has claimed or will claim the Investment Credit, Recovery Deductions or any other attributes of tax ownership as to any Item of Property with respect to any period prior to the date hereof.

19.3. Tax Covenants of the Lessee. The Lessee covenants and agrees with the Owner as follows:

(a) Amendment to Conform to Regulations. If hereafter Regulations are published under the Code which apply to the transaction contemplated by this Lease and which are, for any reason and in any respect, contrary to, or inconsistent with, the terms and provisions of this Lease, and in particular but not limited to the tax assumptions set forth in Section 19.4(a) hereof, or clarify or make more certain the fulfillment of the objectives sought to be attained by the parties hereto, and, in consequence thereof, the parties hereto are required or permitted to amend or modify this Lease to conform to, or comply with, such Regulations or amendments, the Lessee agrees to execute and deliver such amendments and modifications hereof as shall be required or desirable in order to preserve or obtain for the respective parties hereto the rights and benefits which each seeks in the execution hereof but no such amendment shall adversely affect the interests of the Trustee hereunder or under the Equipment Trust Agreement.

(b) Restriction on Transfer or Use. So long as this Lease shall be in effect, no Item of Property shall be transferred or otherwise disposed of or delivered by the Lessee to, nor shall the Lessee permit the use of any Item of Property by, (i) an organization which is exempt from the tax imposed by Chapter 1 of Subtitle A of the Code, (ii) the United States, any state or political subdivision thereof, any international organization, or any agency or instrumentality of any of the foregoing, or (iii) any other Person, if, in any such case, in consequence of such transfer, disposition or use any such Item of Property shall cease to be treated as "Section 38 property" under the Code.

(c) Consistent Tax Returns. The Lessee agrees that neither the Lessee nor any affiliate of the Lessee will at any time take any actions, directly or indirectly, or file any returns or other documents inconsistent with the assumptions set forth in Section 19.4(a) hereof.

19.4. Special Tax Idemnity.

(a) Tax Assumptions. This Lease has been entered into on the assumptions that the Owner, as the party entitled to claim the Tax Benefits, will be entitled to take into account certain credits, deductions and other benefits as are provided by the Code, including, without limitation:

(i) the investment credit (the "Investment Credit") for each Item of Property, in an amount equal to 10% of the Owner's Cost of such Item of Property in the Owner's taxable year which includes the date hereof (the "Current Taxable Year"); and

(ii) recovery deductions (the "Recovery Deductions") under Section 168(a) of the Code for each Item of Property, in an amount determined, commencing with the Owner's Current Taxable Year, by multiplying the Owner's Cost of such Item of Property by the percentages applicable under Section 168(b)(1)(A) of the Code with respect to "10-year property" within the meaning of Section 168(c)(2)(B) of the Code.

The Owner will claim the Investment Credit on its Federal income tax return for its Current Taxable Year and the Recovery Deductions, and the Interest Deductions on its Federal income tax returns in each year commencing with its Current Taxable Year.

(b) Indemnification. If because of any act or omission to act of the Lessee, or because of any nonconformity or noncompliance with any of the Lessee's representations, warranties and agreements set forth in Section 19.2 or 19.3 above, the Owner shall not be allowed for any taxable year (or portion thereof) to take into account the Investment Credit, the Recovery Deductions or the Interest Deductions, or other Tax Benefits provided by the Code under the assumptions set forth above in this Section 19.4, or if all or any

portion of the Investment Credit or the Recovery Deduction is recaptured pursuant to Section 47 or Section 1245 of the Code or any other similar provision (any such nonallowance or recapture being referred to hereafter as a "Loss"), then the Lessee will pay to the Owner an amount which, after reduction by all income taxes required to be paid by the Owner in respect of the receipt of such amount, shall be sufficient to maintain the pretax yield, after-tax cash flows and net present value after-tax cash, computed using a discount rate of 5% per annum, which the Owner would have realized but for such Loss. The Owner shall provide a calculation of such amount. All amounts payable to the Owner hereunder shall be paid promptly, and in any event within 15 days after receipt the Lessee of a written demand therefor, accompanied by a written statement describing in reasonable detail the related Loss and the computation of the amount so payable.

(c) Contest of Disallowance of Tax Benefits. In the event a claim shall be made at any time by the Internal Revenue Service which, if successful, would require the Lessee to indemnify the Owner under paragraph (b) of this Section, the Owner hereby agrees to take such action in connection with contesting such claim, in good faith and forceful manner, as the Lessee shall reasonably request in writing from time to time; provided, however, that (i) within 30 days after notice by the Owner to the Lessee of such claim, the Lessee shall request that such claim be contested; (ii) prior to taking such action, the Lessee shall have furnished the Owner with an opinion of independent tax counsel satisfactory to the Owner to the effect that a meritorious defense exists to such claim; (iii) the Lessee shall have indemnified the Owner in a manner satisfactory to the Owner for any liability or loss which the Owner may incur as the result of contesting such claim and shall have agreed to pay the Owner on demand an amount which, after payment of all taxes incurred in respect of the receipt thereof, less any taxes saved by the deduction thereof, shall be equal to all costs and expenses which the Owner may incur in connection with contesting such claim, including without limitation, reasonable attorney's and accountants' fees and disbursements, and the amount of any interest or penalty which may ultimately be payable as a result of contesting such claim; (iv) the Owner shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service in respect of such claims and may, at its sole

option, either pay the tax claimed and sue for a refund or contest the claim in any permissible forum considering, however, in good faith such request as the Lessee shall make concerning the most appropriate forum in which to proceed; and (v) if the Owner shall have elected hereunder to pay the tax claimed and then seek a refund, the Lessee will provide the Owner with sufficient funds on an interest free basis, to pay the tax. If any such claim referred to above shall be made by the Internal Revenue Service and the Lessee shall have reasonably requested the Owner to contest such claim as above provided and shall have duly complied with all of the terms of this paragraph, the Lessee's liability for indemnification shall become fixed upon final determination of the liability of the Owner. At such time the Lessee shall become obligated for the payment of any indemnification hereunder resulting from the outcome of such contest, and the Owner shall become obligated to pay to the Lessee any refund received. The obligations of the Owner and the Lessee will first be set off against each other and difference owing by either party shall be paid within 30 days after such final determination. If in connection with such final determination the Owner received a refund of tax, any interest also received by the Owner and fairly attributable to such refund of tax will be paid over to the Lessee. In the case of any such claim by the Internal Revenue Service referred to above, the Owner agrees promptly to notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed nor to consent to the assessment of any deficiency relating to such claim for at least 30 days after giving of such notice and agrees to give the Lessee any relevant information relating to such claim which may be particularly within the knowledge of the Owner and otherwise to cooperate with the Lessee in good faith in order to contest any such claim effectively.

19.5. Survival. All of the Owner's rights and privileges arising from the indemnities contained in this Section 19 shall survive the expiration or other termination of this Lease with respect to any or all Items of Property and such indemnities are expressly made for the benefit of, and shall, subject to Section 19.6 hereof, be enforceable by, the Owner, its successors and assigns, including the Trustee. All of the Lessee's rights and privileges contained in this Section 19 shall survive the expiration or other termination of this Lease with respect to any or all Items of Property and such rights and privileges shall be enforceable by the Lessee, its successors and assigns. All of the Lessee's rights and privileges contained in this Section 19 shall survive the expiration or other termination of this Lease

with respect to any or all Items of Property and such rights and privileges shall be enforceable by or against the Lessee, its successors and assigns.

19.6. Owner's Rights. Anything herein to the contrary notwithstanding, the rights of the Owner pursuant to this Section 19 shall inure to the sole and exclusive benefit of the Owner (and not the Trustee) unless the Owner shall otherwise agree in a separate written instrument.

SECTION 20. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE LESSEE

20.1. Representations and Warranties. The Lessee represents, warrants and agrees with the Owner that:

(a) Due Organization. The Lessee is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has the power and authority to carry on its business as presently conducted, to transfer the Property and the Tax Benefits, to own or hold property under lease and to enter into and perform its obligations under the Bill of Sale, the Purchase Agreement and under this Lease. The Lessee has not failed to qualify to do business in any jurisdiction where failure so to qualify could materially and adversely affect its financial condition or its ability to perform any of its obligations under this Lease.

(b) Due Authorization. The execution, delivery and performance by the Lessee of this Lease, the Bill of Sale and the Purchase Agreement have been duly authorized by all necessary corporate action on the part of the Lessee.

(c) Due Execution. This Lease, the Bill of Sale and the Purchase Agreement have been duly executed and delivered by the Lessee and constitute the legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms.

(d) No Violation. Neither the execution or delivery of this Lease, nor the consummation of the transactions contemplated hereby, nor the performance by the Lessee of its respective obligations hereunder, violates or will violate any law, governmental rule or regulation or any judgment, order or decree of any court, administrative agency or other governmental authority, or conflicts or will

conflict with, or results or will result in a breach of any of the terms, conditions or provisions of, or constitutes or will constitute a default under, or results or will result in the creation or imposition of any Lien upon any of the properties or assets of the Lessee pursuant to its Certificate of Incorporation or By-laws or any agreement or instrument to which the Lessee is subject or is a party or by which it or any of its properties are bound, or requires or will require the consent or approval of any trustee or holders of indebtedness or obligations of the Lessee, except such as have been duly obtained and copies of which have been delivered to the Lessee.

(e) No Registration, etc. No consent or approval of, giving of notice to, registration with, or taking of any action in respect of or by, any Federal, state or local governmental authority or agency or other Person is or will be required in connection with the execution, delivery or performance by the Lessee of, or the consummation by the Lessee of the transactions contemplated by this Lease, except such as have been duly obtained, given or accomplished.

(f) Title to Property. Immediately prior to the execution of the lease agreement dated November 13, 1981, the Bill of Sale and the Purchase Agreement, the Lessee was the owner of each Item of Property, free and clear of all Liens, except (A) Liens for taxes either not yet due or which are being contested in good faith with due diligence and by appropriate proceedings, and (B) inchoate materialmen's, mechanics', carriers', warehousemen's or other like Liens arising in the ordinary course of business of the Lessee. The Lessee will indemnify and save harmless the Owner from and against any of the foregoing.

SECTION 21. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE OWNER

21.1. Representations and Warranties. The Owner represents, warrants and agrees with the Lessee that:

(a) Due Organization. The Owner is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has the power and authority to carry on its business as presently conducted, to purchase the property and the Tax Benefits, to own or hold property under lease and to enter into and perform its obligations under this Lease.

(b) Due Authorization. The execution, delivery and performance by the Owner of this Lease has been duly authorized by all necessary corporate action on the part of the Owner.

(c) Due Execution. This Lease has been duly executed and delivered by the Owner and constitutes the legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms.

(d) No Violation. Neither the execution or delivery of this Lease, nor the consummation of the transactions contemplated hereby, nor the performance by the Owner of its obligations hereunder, violates or will violate any law, governmental rule or regulation or any judgment, order or decree of any court, administrative agency or other governmental authority, or conflicts or will conflict with or results or will result in a breach of any of the provisions of, the Certificate of Incorporation or By-laws of the Owner or any agreement or instrument to which the Owner is subject or is a party or by which it is bound.

(e) Conditions of Section 168(f)(8)(B) of the Code. The Owner is a corporation which meets the conditions of Section 168(f)(8)(B) of the Code and on the date hereof the minimum investment of the Owner in each Item of Property is not less than 10 percent of the Owner's Adjusted Basis of such Item of Property.

21.2. Further Assurances. The Owner, at the cost and expense of the Lessee, will cause to be promptly and duly made, taken, executed, acknowledged and delivered all such further elections, acts, documents and assurances as the Lessee may from time to time reasonably request in order more effectively to carry out the intent and purposes of this Lease.

SECTION 22. MISCELLANEOUS

22.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given, except where actual receipt thereof is required pursuant to this Lease, when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Owner: HGA Corporation
c/o Hyatt Corporation
One Hyatt Center
9700 W. Bryn Mawr Avenue
Rosemont, Illinois 60018
Attention: H. S. Handelsman

If to the Lessee: Union Tank Car Company
39 S. La Salle Street
Chicago, Illinois 60603
Attention: Treasurer

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

22.2. Right of Owner to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, the Owner may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by the Owner and all cost and expense including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the Owner upon demand as additional rent hereunder, with interest at the rate of 17-1/2% per annum, or the highest lawful rate, whichever is less.

22.3. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

22.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

22.6. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

22.7. Survival. All warranties, representations and covenants made by the Lessee herein or in any certificate or other instrument delivered by the Lessee or on behalf of the Lessee under this Lease shall be considered to have been relied upon by the Owner, the Trustee and their respective successors and assigns and shall survive the consummation of the transactions contemplated hereby regardless of any investigation made by any such party or on behalf of any such party. All statements in any such certificate or other instrument shall constitute warranties and representations of the Lessee.

22.8. Amendments. This Lease may be amended and provisions hereof shall be modifiable or waived only by an agreement in writing signed by the Owner and the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the respective corporate seals of the Owner and the Lessee to be hereto affixed as of the day and year first above written.

[CORPORATE SEAL]

HGA CORPORATION,

by

Title

ATTEST:

[CORPORATE SEAL]

UNION TANK CAR COMPANY,

by

Title

ATTEST:

STATE OF ILLINOIS,)
COUNTY OF COOK,) ss.:

On this day of 1982, before me personally appeared , known to me personally, who being by me duly sworn, is known to be Vice President of HGA CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Notary Public

My commission expires:

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1982, before me personally appeared , to me personally known, who being by me duly sworn, is known to be Vice President of UNION TANK CAR COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Notary Public

My commission expires:

Property

The aggregate Lessee's Adjusted Basis for all Items of Property consisting of the 422 tank cars and 68 covered hopper cars bearing UTLX numbers listed on Exhibit A-2 hereto is \$21,519,273.

The Lessee's Adjusted Basis for each Item of Property shall be as reflected on Exhibit A-1 to the Purchase Agreement.

DESCRIPTION OF LEASE PROPERTY

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|----------------------------------|
| 17 | TA | 14,000 | UTLX 11296-11299, 11301-11313 |
| 3 | TM | 23,500 | UTLX 67682, 67684, 67685 |

DESCRIPTION OF LEASE PROPERTY

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons or Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|---|--|
| 10 | LO | 5,820 cu. ft. | UTCX 43290-43299 |
| 12 | TM | 26,000 gallons | UTLX 2600-2609, 2611, 2613 |
| 6 | TA | 14,000 gallons | UTLX 11300, 13833- 13837 |
| 19 | TM | 11,000 gallons | UTLX 24720-24738 |
| 25 | TM | 14,000 gallons | UTLX 24739-24763 |
| 45 | TM | 30,000 gallons | UTLX 48145, 48147, 48149-48151, 48154-48156, 48158, 48159, 48161, 48163- 48165, 48167, 48168, 48175, 48177-48182, 48186, 48187, 48190, 48195, 48197, 48198, 48200-48202, 48209, 48211, 48213, 48308, 48311-48314, 48317, 48320, 48321, 48325, 48338 |
| 1 | TM | 16,000 gallons | UTLX 66410 |
| 9 | TM | 18,000 gallons | UTLX 66544, 66547, 66548, 66550- 66555 |
| 13 | TM | 23,500 gallons | UTLX 67742-67751, 67756, 67757, 67578 |
| 16 | LO | 5,820 cu. ft. | UTLX 220102-220107, 220160, 220161, 220163, 220164, 220168-220173 |

156 Total

DESCRIPTION OF LEASE PROPERTY

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 5 | TM | 30,000 | UTLX 48203, 48204, 48206, 48207, 48210 |
| 5 | TM | 20,000 | UTLX 48236-48238, 48240, 48243 |
| 10 | TM | 30,000 | UTLX 48310, 48326- 48331, 48337, 48339, 48340 |
| 11 | TM | 16,000 | UTLX 65929-65939 |
| <u>5</u> | TM | 23,500 | UTLX 67573-67577 |
| 36 Total | | | |

DESCRIPTION OF LEASE PROPERTY

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Gallons</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|---|
| 31 | TM | 23,500 | UTLX 67712-67730, 67752-67755, 67758-67765 |
| 63 | TM | 16,000 | UTLX 66409, 66411, 66412, 66414- 66473 |
| 7 | TM | 26,000 | UTLX 2610, 2612, 2614, 2615, 2617-2619 |
| 8 | TP | 20,000 | UTLX 27611-27618 |
| 8 | TM | 14,000 | UTLX 24695-24702 |
| 18 | TM | 20,000 | UTLX 67337-67339, 67555-67559, 68006-68007, 68010-68011, 68014, 68053, 68055, 68057- 68059 |
| 40 | TM | 21,000 | UTLX 48002-48010, 48012-48013, 48015, 48017- 48018, 48020- 48023, 48026- 48033, 48037, 48040-48041, 48043-48046, 48048-48050, 48052-48053, 48056, 48061 |
| 29 | TM | 18,000 | UTLX 66542-66543, 66545-66546, 66549, 66556- 66579 |
| 32 | TM | 13,000 | UTLX 60671-60693, 60697, 60699- 60705, 60708 |

236 Total

DESCRIPTION OF LEASE PROPERTY

| <u>Quantity</u> | <u>A.A.R. Mechanical Designation Code</u> | <u>Capacity in Cu. Ft.</u> | <u>Road Numbers</u> |
|-----------------|---|------------------------------------|--|
| 42 | LO | 5,820 | UTLX 220108, 220111, 220113-220123, 220125-220135, 220137, 220139, 220140, 220142- 220149, 220152, 220153, 220155- 220159 |

42 Total

490 Grand Total

Schedule of Rent Payments

A. Interim rent shall be payable on February 1, 1982, in an amount equal to 4% of Lessee's Adjusted Basis for each Item of Property as reflected on Exhibit A-1 of the Purchase Agreement for each Item of Property. Additionally, interim rent shall be payable on March 1, 1982, in an amount equal to 1.5% of Lessee's Adjusted Basis for each Item of Property as reflected on Exhibit A-1 of the Purchase Agreement for each Item of Property.

B. Basic Rent shall be payable in 39 consecutive semiannual payments payable in arrears on March 1 and September 1 in each year, commencing September 1, 1982, to and including March 1, 1997. The first 30 semiannual rental payments shall each be in the amount of \$1,476,254.31 and the subsequent 9 semiannual payments shall each be in the amount of \$42,000.

Casualty Value Percentages

| <u>No. of Rent Payments Made</u> | <u>Rent Payment Date</u> | <u>Casualty Value Percentage</u> |
|--|------------------------------|--------------------------------------|
| 0 | March 1, 1982 | 101.379423 |
| 1 | Sept 1, 1982 | 106.601074 |
| 2 | March 1, 1983 | 111.402026 |
| 3 | Sept 1, 1983 | 111.868024 |
| 4 | March 1, 1984 | 115.707321 |
| 5 | Sept 1, 1984 | 115.059527 |
| 6 | March 1, 1985 | 117.749191 |
| 7 | Sept 1, 1985 | 115.821113 |
| 8 | March 1, 1986 | 116.941747 |
| 9 | Sept 1, 1986 | 118.024475 |
| 10 | March 1, 1987 | 111.689448 |
| 11 | Sept 1, 1987 | 106.006285 |
| 12 | March 1, 1988 | 103.921939 |
| 13 | Sept 1, 1988 | 101.518769 |
| 14 | March 1, 1989 | 98.792937 |
| 15 | Sept 1, 1989 | 95.722949 |
| 16 | March 1, 1990 | 92.302406 |
| 17 | Sept 1, 1990 | 88.509309 |
| 18 | March 1, 1991 | 84.335012 |
| 19 | Sept 1, 1991 | 79.836300 |
| 20 | March 1, 1992 | 75.055306 |
| 21 | Sept 1, 1992 | 70.006042 |
| 22 | March 1, 1993 | 64.676090 |
| 23 | Sept 1, 1993 | 59.060634 |
| 24 | March 1, 1994 | 53.139304 |
| 25 | Sept 1, 1994 | 46.906295 |
| 26 | March 1, 1995 | 40.338041 |
| 27 | Sept 1, 1995 | 33.429189 |
| 28 | March 1, 1996 | 26.152499 |
| 29 | Sept 1, 1996 | 18.503214 |
| 30 | March 1, 1997 | 10.449860 |
| 31 | Sept 1, 1997 | 8.804675 |

Casualty Value Percentages

| <u>No. of Rent Payments Made</u> | <u>Rent Payment Date</u> | <u>Casualty Value Percentage</u> |
|--|------------------------------|--------------------------------------|
| 32 | March 1, 1998 | 7.271693 |
| 33 | Sept 1, 1998 | 5.871854 |
| 34 | March 1, 1999 | 4.597300 |
| 35 | Sept 1, 1999 | 3.471378 |
| 36 | March 1, 2000 | 2.481416 |
| 37 | Sept 1, 2000 | 1.646849 |
| 38 | March 1, 2001 | 0.961415 |
| 39 | Sept 1, 2001 | 0.442978 |

ANNEX II
to the
Equipment Trust Agreement

[CS&M Ref. 2044-226]

ASSIGNMENT OF LEASE
AND AGREEMENT

Between

HGA CORPORATION,
Owner

and

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
Trustee

Dated as of February 15, 1982

ASSIGNMENT OF LEASE AND AGREEMENT dated as of February 15, 1982 (this "Assignment"), by and between HGA CORPORATION, a Delaware corporation (the "Owner"), and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Trustee"), not in its individual capacity but solely as Trustee.

The Owner, HGA Corporation and the Trustee have entered into an Equipment Trust Agreement dated as of the date hereof (the "Equipment Trust Agreement").

The Owner and Union Tank Car Company (the "Lessee"), have entered into an Amended and Restated Lease Agreement dated as of the date hereof (the "Lease"), providing for the leasing by the Owner to the Lessee of certain units of railroad equipment (the "Units").

In order to comply with the obligations of the Owner under the Equipment Trust Agreement and as an inducement to the Purchasers referred to in the Equipment Trust Agreement (the "Purchasers") to purchase the Equipment Trust Certificates to be issued pursuant to the Equipment Trust Agreement, the Owner agrees to assign for security purposes its rights in, to and under the Lease.

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Owner hereby assigns, transfers and sets over unto the Trustee, all the Owner's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, indemnity (except amounts which by the express terms of the Lease are payable directly to the Owner pursuant to Section 12.1 [with respect to public liability insurance] and Sections 11.2 and 19.4 of the Lease), liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default

specified in the Lease, and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Owner or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Trustee agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Trustee will apply such Payments first, to satisfy the obligations of the Owner under the Equipment Trust Agreement due and payable on the date such Payments were due and payable under the Lease, and second, so long as no Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing any remaining balance held by the Trustee hereunder shall be promptly paid to the Owner in immediately available funds at the address of the Owner set forth in the Lease. If the Trustee shall not receive any rental payment under Section 4.5 of the Lease or any payment of Casualty Values under Section 12.3 of the Lease when due, the Trustee shall promptly notify the Owner and the Lessee in writing at their respective addresses set forth in the Lease. Failure to so notify the Owner and the Lessee shall not affect the rights and remedies of the Trustee hereunder or under the Equipment Trust Agreement.

2. This Assignment is executed only pursuant to the obligations of the Owner under the Equipment Trust Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or in any way affect or modify the liability of the Owner under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Owner or persons other than the Trustee.

3. To protect this Assignment, the Owner agrees as follows:

(a) The Owner will faithfully abide by, perform and discharge each and every obligation which the Lease provides is to be performed by the Owner; without the written consent of the Trustee, the Owner will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder, of or from any obligation to be performed by the Lessee, including, without limitation, the obligation to make the payments in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the Lease, and the Owner agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Owner fail to make any payment or to do any act which this Assignment requires the Owner to make or do, then the Trustee, but without obligation so to do, after first making written demand upon the Owner and affording the Owner a reasonable period of time within which to make such payment or do such act, which period shall not exceed 30 days but without releasing the Owner from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation of the Owner contained in the Lease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Owner will reimburse the Trustee for such costs, expenses and fees.

4. The Owner does hereby constitute the Trustee the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner, or otherwise), to demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease, to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Owner's obligations under the Equipment Trust Agreement, this Assignment and all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Owner without further act or deed, but the Trustee shall execute and deliver such documents as the Owner may reasonably request in order to confirm, or make clear upon public records, such termination or reversion.

6. The Owner will, from time to time, do and perform any other act and will execute, acknowledge, and deliver any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

7. The Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder.

8. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, but the parties hereto shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Owner shall cause copies of all notices received in connection with the Lease and all Payments to be promptly delivered or made to the Trustee at its address set forth in Section 9.04 of the Equipment Trust Agreement, or at such other address as the Trustee shall designate.

10. The Trustee hereby agrees with the Owner that, so long as no Event of Default (or event which, with notice or lapse of time or both, could constitute such an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing, the Trustee will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner to the Trustee by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Equipment Trust Agreement,

the Owner may, so long as no Event of Default under the Equipment Trust Agreement has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges, and remedies arising out of subparagraph (a) of the first paragraph of Section 14.2 of the Lease; provided, however, the Owner shall not, without the prior written consent of the Trustee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said Section 14.2.

11. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Trustee shall be deemed to be the original and all other counterparts shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed in their respective names, by their respective duly authorized officers, all as of the date first above written.

HGA CORPORATION,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO,
not in its individual capacity
but solely as Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of HGA CORPORATION, that one of the seals affixed to the foregoing instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1982, before me personally appeared to be personally known, who, being by me duly sworn, says that he is an Authorized Officer of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the seal of said national bank and that said instrument was signed and sealed on behalf of said national bank by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

UNION TANK CAR COMPANY, a Delaware corporation (the "Lessee"), the Lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease, other than amounts payable to the Owner under Section 12.1 (with respect to public liability insurance) and Sections 11.2 and 19.4 of the Lease not assigned to American National Bank and Trust Company of Chicago, as Trustee (the "Trustee"), pursuant to the Assignment (which moneys are hereinafter called the "Payments") due and to become due to the Owner under the Lease or in respect of the Units leased under the Lease, directly to the Trustee, by 12:00 p.m., Chicago time, on the date such payment is due in immediately available funds, to its address at 33 North La Salle Street, Chicago, Illinois 60690, attention of Karen Bunnell (or to such other address as may be furnished in writing to the undersigned by the Trustee);

(2) subject to the terms and conditions of the Assignment, the Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the Lessee under the Lease as though the Trustee were named therein as the Owner;

(3) the Trustee shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Trustee, be amended, terminated or modified, or any action be taken or omitted by the Lessee the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of February 15, 1982

UNION TANK CAR COMPANY,

by

[Seal]

Attest:

Accepted:

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
not in its individual capacity
but solely as Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer